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	Output prices (home sales)	Material prices
1972	114.8	109.2
1973	123.2	144.5
1974	152.0	215.3
1974 4th	164.9	222.1
1975 1st	176.0	220.9
2nd	186.3	225.6
3rd	193.4	239.3
4th*	199.1	255.4
1975 Dec.*	201.5	258.4
1976 Jan.*	204.9	260.4

\* provisional



2 LOMBARD

# Disappearance of OPEC's surplus

BY C. GORDON TETHER

ONE sensational conclusion that emerged from the IMF's latest breakdown of the international payments picture was that the advanced countries as a group had moved back into overall surplus a mere two years after the oil price explosion precipitated them into massive deficits.

An even more sensational revelation the analysis threw up, which has attracted much less attention, was that the oil-exporting countries had, at the same time, swung into overall deficit. For it seemed quite inconceivable that the oil-exporting countries had been indulging in a buying spree in the consumer goods as well as the armaments sectors which has sent their foreign exchange outgoings rising by leaps and bounds.

It is evident from this that the new situation has been brought about in substantial measure by the oil-producing countries themselves and to that extent, must be as welcome to them as it is to the rest of the world. Yet there can be little doubt that the speed with which the formidable payments strength they instantly created in 1973 has been eroded has come as a considerable shock to them. And the sobering effect of this on their attitudes to the outside world is likely to be seen in all directions in the year ahead.

Thus what it does is to measure the combined effect of all the movements recorded in the conventional reserves of individual countries—gold, SDRs, officially held foreign assets and so on. And it is careful to point out that in its commentary on the significance of the latest quarterly analysis, there are strong indications that the OPEC countries have of late been devoting an increasingly large proportion of their surpluses to the accumulation of reserves in non-conventional forms.

## No question

It is naturally intriguing to consider what these non-conventional reserves are and why the oil-producing countries prefer them to the standard fare. But the main relevance of this state of affairs to an inquiry into the present position of the world's payments scoreboard consists, of course, in the fact that it means that the oil-producers are doing much better than the published statistics suggest. At the same time, there can be little doubt that the OPEC surplus has been contracting a good deal faster than had been generally foreseen. And since it is known that some members of the group have continued to run sizeable surpluses, it follows that in other cases there has actually been a swing back into overall deficit—and this within little more than two years of the leap into fantastic surplus.

## A dialogue

The Director-General of the Kuwait Fund for Arab Economic Development, Mr. Abdulatif Al-Hamad, gave clear notice of this, indeed, in an article setting out the Arab Point of View on International Finance, he contributed to a recent issue of International Development Review. Though, he said, the skies over the Middle East were still black with birds with great new get-rich-quick plans under their wings, the happy days of "easy money" were over there too. Many a visitor had learned how fast the Middle East was learning the rules of the game.

In this situation, the advanced countries will, if they are wise, tread very carefully indeed. There must be no inclination to "crowd over" the contraction in the OPEC countries surplus. That would be the easiest way to encourage them to try to recreate it. Rather should it be argued that the experience of the past two years shows how essential it is to develop a meaningful dialogue between oil producers and consumers with the aim of establishing their relations on a sound and mutually advantageous basis for good.

## WINE

# Lasting qualities

BY EDMUND PENNING-ROWSELL

ONE OF THE questions often asked about a wine is how long it will last; and the answer, irritating to those seeking instant information and certainty, is that it all depends. Unfortunately, or perhaps fortunately, indeed it does first, because wine may be divided into two categories: ordinary and fine. The BEC now classifies as table wine (faisaneau) and which forms the bulk of the world's production; and fine wine, which may roughly be equated with vintage wine.

If it is any satisfaction to anxious inquirers, much more wine is drunk before it is ready than after it has passed its peak. Though this applies far less to ordinary wines than to the finer types, most wine, particularly red wine, does not improve with more time to settle down than it usually receives. For ordinary and branded table wines this should not mean more than a year or so, and even less for white wine, which is especially subject to oxidation and maderisation, when it darkens to the colour of madeira.

## Major factor

First to be discussed is white wine, as in general it lasts less long than red. It is not just a matter of alcohol, for many of the finest German wines are very low in alcohol, but have a good balance between fruit and acidity. One major factor in the preservation of all wine, and most noticeably in white wines, is sufficient acidity to make the wine become flabby and flat-tasting. Yet to last, a white wine must also have fruit and body. Acidity is not enough, and indeed some rather thin wines such as Muscadet have too much of it, and then the wine tastes sharp and "green". So too do the local wines that the Cognacs and the Champagnes sparkle with wine respectively.

Although it is true that white wine usually keeps less well than red, it is wrong to believe that red is the interest of what is sometimes publicised as "youthful freshness". It should all be drunk up when young. No doubt this helps the growers and merchants to empty their cellars, but it is not always to the benefit of the consumer, who may have paid a reasonably large amount of money for a wine he hopes to drink at its best. To take one example: it would be a pity to drink a fine Moscatel as soon as it is in bottle, perhaps less than two years after the vintage.

I myself have had an unusual example of the longevity of this particular wine. A few years ago some 1829 Moscatel from the estate of Baron Thénard came up for sale at Christie's. It had

White wines generally thought not to last particularly well are the Rhines and Moselles. With lesser quantities and minor vintages this is true. There is no point, for example, to-day in keeping the 73s, for though attractive they are not exceptional and unlikely to improve. And most wines from the better pre-1971 vintages are now showing their age; but not the 71s or the auster and upwards class of older years that produced such luscious wines. The 71s were nearly all exceptionally fruity and sweet, with an unusually high proportion falling into the spätzle and auster class. These were attractive enough when first offered here in 1973, but all the experts maintain that with some more years in bottle, they will become finer and less obviously sweet. They have been likened to the 73s. 1974 autumn, I sampled half-bottles of Stieberger beerenauslese 73 that were in wonderful condition.

## Air the enemy

Much of course depends on how well a particular wine has been made when it was bottled, and perhaps most important, the quality of the cork. Air is the enemy of wine. I have tasted young white wine still fermenting, yet showing signs of oxidation. White wine is usually bottled earlier than red in order to maintain its freshness; for in general, it lacks the preservative quality that tannin in the skins contributes to red wine. If the cork lets in too much air, the wine will be diluted and will darken; and colour is as good a guide to a white wine's life-span as anything else. Once it begins unmistakably to deepen in colour it probably should be drunk. Yet at Christie's recently a bottle of the certainly celebrated, and doubtless wonderful 1911, was sold at a fabulous price, was as full as full golden sherry. Years ago I acquired a few bottles of this wine, which had been kept for many years in a cellar, but probably cold, in a willow house. Then about 30 years old it was much paler than the 1911 I drank about the same time in Bordeaux, where the temperature is warmer.

Of course a dark-coloured wine can still taste well. At the German wine exhibition in London last September an half-bottle of 1927 Ridesheimer Apostelweiss from the famous Radesheimer Ratskeller was opened. It looked, smelled and tasted like fine mader, yet it was still perfectly sound.

The lasting qualities of red wine will be discussed in two weeks' time.

## WINTER OLYMPICS

MEN'S F

# Superb Curry moves closer to gold

INNSBRUCK, Feb. 9

EUROPEAN champion John Curry of Britain moved closer to winning the Olympic figure skating title by taking the lead in to-day's short programme of compulsory moves. Curry, 26, jumped ahead of Soviet world champion Sergei Volkov with a typically artistic and superbly executed routine married only by two very small slips.

His programme got him average marks of 2.8 points for the required elements and 5.9 points for presentation. Volkov scored considerably lower and lost the lead he held after yesterday's compulsory figures.

Curry has every reason to be pleased. His coach, Carlo Fassi, commented: "I am happy. If he doesn't do a crazy thing, he should have it now."

In other Olympic action, Soviet skier Galina Kulakova forfeited her five-kilometre cross-country bronze medal after falling a routine slope test, and East German's Ulrich Wehling retained his Nordic combination title.

With the free skating—counting for 50 per cent of the total—scheduled for Wednesday night, Curry leads with 88.84 points and 13.5 placements compared to Volkov's 85.28 points and 21 placements.

Curry is considered a far better skater than Volkov, and in the chase for medals when world champion Ulrich Wehling retained his Nordic combination title. Despite his disappointing 13th place in the cross-country, Wehling held on to his one position to third place, ahead of Vladimir Kovalev of the Soviet Union.

Mrs. Kulakova forfeited her medal because she took a casual drop for a cold the night before the race. But the International Olympic Committee, while denying her her bronze medal, said she could still compete in other events.

"It's an unhappy case," said Prince Albert de Monaco, chairman of the IOC medical commission. The compromise 41 hundredths of a second faster

decision came after a urine test revealed traces of ephedrine, a drug banned by the IOC. There were extenuating circumstances, the Belgian prince said. "The ephedrine was found in a very weak concentration, but taking medicine to treat an illness is an excuse. There are other medicines to treat this sort of infection."

Ephedrine, commonly used to combat colds, is the drug that has figured most often in doping cases in top-level sport. The IOC announced that the bronze medal would now go to Mrs. Kulakova's team-mate, Nina Baldycheva, warned competitors not to take any medicines without the advice of their doctors.

The prince explained that the test was too small to have affected Mrs. Kulakova's race performance, "but we just cannot afford to open the door to abuses. Taken in larger numbers, the drug can expand your lung capacity."

At Seefeld, East Germany kept up the pressure on the Russians.

To-day's programme: 7 am: Women's figure skating, compulsory. 8 am: Two-man bobsled. 8.30 am: women's 10 km cross-country. 9.30 am: men's 30 km speed skating. 11.30 am: men's giant slalom, second run. 1 pm: ice hockey.

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than Switzerland's Ernst Thoeni and 1.22 seconds clear of a second Swiss skier, Heinz Thoeni. The first leg was a disaster for host nation Austria. Two of their skiers, Thomas Hauser and downhill gold-medallist Franz Klammer, did not finish and their giant specialist, Hansi Illnert, was left 2.27 seconds back.

Thoeni said that despite his lead he was far from certain of winning to-morrow as the second run was very steep and it would be easy to make mistakes. "But I prefer to be favourite than to have to make up two seconds

like Stenmark. I know the pressure will be on me but I do not think that will stop me sleeping to-night."

The world's best male speed skaters begin their race for medals to-morrow. It is likely to turn into an assault on the record books led by Norway and the Soviet Union. The women's programme ended yesterday with Olympic records in all four events broken 32 times and one world record seriously challenged.

The Norwegian men have won more Olympic speed medals over the years than any other nation—16 gold and 32 overall, compared with eight golds and 14 in all for the Soviet Union.

British tobogonists Jeremy Palmer-Tomkinson and Michel de Carvalho, ready to give up after a spill and disappointing practice runs for to-morrow's two-man event, today gave themselves a reprieve after a better final training run.

Their final training time was 45.54 seconds, a distinct improvement on the 46.233 and 46.135 of their two other starts to-day and their start in yesterday's first timed run. "We had a silly start and came off at the first bend," said Palmer-Tomkinson.

Reuter

## TENNIS

KING'S CUP

# Cox joins U.K. challenge

WE ARE now almost at the halfway stage of the King's Cup competition, revamped this year as a league event in two divisions with a new title, the European Nations Team Championships, and sponsored by Saab Scania, a Swedish motor group, writes John Barrett.

Britain finds herself in fourth place in Division I with three wins and two losses behind Germany and Hungary which each have five wins from six matches.

The inclusion for the first time of Mark Cox, who reached the semi-finals of last week's WCT tournament in Barcelona where the American Eddie Dibbs beat him, should boost our hopes.

France, who in the last three places Italy (two points) Spain (one) and Yugoslavia (nil) are the three countries against whom Buster Mottram, Roger Taylor and John Lloyd recorded the three British victories—all by three matches.

The 2-1 defeat in Hungary against Balazs Taroczy and Peter Szabo was not altogether a surprise for these are two of Europe's brightest young men.

Nor was last week's defeat by Germany, also by two matches, entirely unexpected. "We had because two members of the German team—Jürgen Fassbender and Hans Pohlmann—were in the team that inflicted a surprise Davis Cup defeat on Taylor, Cox and John and David Lloyd in Munich in 1973.

Even then all was not lost. Taylor, pinned and a rusty net player, improved John Lloyd, helped match point against Fassbender and Pohlmann for a two-set win before being worn down by a in Division I will divide 250,000 between them, the winner taking 125,000 and the nation placed Grange and Juan Gisbert. In last receiving £1,000.

Since then Czechoslovakia, France, Italy, Spain and Sweden have all been successful and over the years one has watched all the prominent European players culled their match teeth in this competition, from Sven Davidson and Kurt Nielsen to the present champions, Sangster and Pierre Darmon.

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fact they even beat the Spaniards last week in the final doubles to help Germany to their 2-1 victory over Spain.

Launched in 1936 by the Swedes and first won by France, the King's Cup was named after King Gustav V of Sweden, who was keen player. Contested on a knock-out basis, it was dominated in its early years by the Swedes and Danes with a lone Yugoslav victory in 1963 and four successive British wins between 1964 and 1967 in which Taylor had part.

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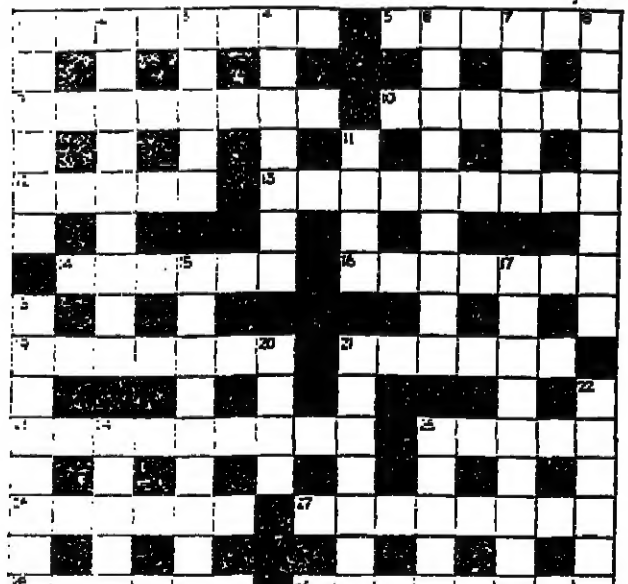
## TV/Radio

† Indicates programme in black and white

### BBC 1

9.55 a.m. For Schools, Colleges.  
12.45 p.m. News. 1.30 p.m. Today at the Winter Olympics. 1.15 p.m. "Bod on the Beach." 3.00 p.m. You and Me. 4.15 p.m. For Schools, Colleges. 5.25 p.m. Ten to Five. 1.00 p.m. Play School. 4.25 p.m. Denzil Davis. 4.30 p.m. Jackanory. 4.45 p.m. Star Trek. 5.10 p.m. John Craven's Newsround. 5.15 p.m. John. 5.40 p.m. The Endless.

### F.T. CROSSWORD PUZZLE No. 3,001



- ACROSS**
- Twelve trying and disaffected people (4)
  - A departure in action (6)
  - Ratings who managed a college (8)
  - Call for exercise in part of cathedral (13)
  - Phrase sprung on the unwary (13)
  - Silly humbug of swindler (10)
  - Check about pinning the colours (5)
  - Letters going off to distant station (7)
  - Being creature when it's red not otherwise (8)
  - Worrisome bite from animal (10)
  - Cook often found on Yorkshire side (5)
  - Understand about (4, 2)
  - Prison drunk completely (10)
  - Return to divider (10)
  - Constructive does feel different (1, 2, 2)
- DOWN**
- One to be upset over family of eleven (6)
  - Never has a turn at making (5)
  - Reference to more than one (5)
  - Way of life of endear army unit (7)
  - Plot for the rest of the horticulturalists (6, 3)
  - Conclude it's part of the train ferry (5)
  - Entrancing Pole sharing confidence with you and me (8)
  - Litigant going down the drain we hear (4)
  - Nonsense coming from source that is illegal still (9)
  - Ornament for enthusiast to have (9)
  - Person regularly trained to judge (8)
  - Journey suitable for the Fall (4)
  - Make fun of age of jazz (7)
  - Figure cast could make an artistic variation (6)
  - Find treasure. Newmarket starter to compare (8)
  - Proposition letting deserter win (4, 5)
- Solution to Puzzle No. 2,999
- SCRAMBLE**  
H O L D E R S U  
C H A N G I N G  
O V E R S E A S  
D E S I R E S  
S U B J E C T  
S T A R T  
E A R L I E S T  
R E D P H O D  
V I L L A O U T F O R T  
I E N U I R T A  
C H A N G I N G C L O T H E S  
E S E C A N E L  
S P E A R H E A D T O D D Y

### Wales To-day. 7.20-7.45 Heddwl.

7.45-8.10 Ask the Family. 11.40 News and Weather for Wales.  
Scotland—6.00-6.45 p.m. Report on Scotland. 11.15-11.45 Who Are the Scots? 11.45 Scottish News Summary.  
Northern Ireland—5.58-6.00 p.m. Northern Ireland News. 6.00-6.45 p.m. Scene Around. 10.55 p.m. Northern Ireland News Headlines.  
England—6.00-6.45 p.m. Look North from Leeds, Manchester, Newcastle. 11.15-11.45 Who Are the Scots? (from Birmingham) Look East (from Norwich). Points West (from Bristol). South Today (from Southampton). Spotlight South-West (from Plymouth).

### BBC 2

7.20 a.m. Open University. 11.00 Play School. 2.30 p.m. Peter Donaldson's Illustrated Economics. 3.00 a.m. All in the Mind. 3.30 Looking at Documentary. 5.50 Open University. 7.45 Ensemble. 7.50 Weather. 7.55 Newsday. 7.55 The Book Programme. 8.10 Pro-Celebrity Golf. 8.40 Family. 9.40 News. 9.50 The Man Alive Report. 10.20 The Old Grey Whistle Test. 11.00 Newsnight. 11.25 Closedown: Joy Parker reads "The Cat Web" by Robert Graves.

### LONDON

9.30 a.m. Schools Programmes. 10.00 Surf and Nonsense. 12.10 p.m. Piping. 12.20 Trach or Treasure. 1.00 First Report. 1.30 PT Index. 1.30 Lunchtime to Day. 1.40 Numerical Farm. 2.00 Good Afternoon. 2.00 Couples. 4.00 Village Hall. 4.25 Runaround. 4.50 Macpie. 6.20 Nanny and the Professor. 6.50 News from ITN. 6.00 To-day.

### RADIO 1

10.50 Stereo. 1.00 The Arts Worldwide. 1.30 Cardie. 1.40 Prom. 1.50 The Beatles. 2.00 The Beatles. 2.10 The Beatles. 2.20 The Beatles. 2.30 The Beatles. 2.40 The Beatles. 2.50 The Beatles. 3.00 The Beatles. 3.10 The Beatles. 3.20 The Beatles. 3.30 The Beatles. 3.40 The Beatles. 3.50 The Beatles. 4.00 The Beatles. 4.10 The Beatles. 4.20 The Beatles. 4.30 The Beatles. 4.40 The Beatles. 4.50 The Beatles. 5.00 The Beatles. 5.10 The Beatles. 5.20 The Beatles. 5.30 The Beatles. 5.40 The Beatles. 5.50 The Beatles. 6.00 The Beatles. 6.10 The Beatles. 6.20 The Beatles. 6.30 The Beatles. 6.40 The Beatles. 6.50 The Beatles. 7.00 The Beatles. 7.10 The Beatles. 7.20 The Beatles. 7.30 The Beatles. 7.40 The Beatles. 7.50 The Beatles. 8.00 The Beatles. 8.10 The Beatles. 8.20 The Beatles. 8.30 The Beatles. 8.40 The Beatles. 8.50 The Beatles. 9.00 The Beatles. 9.10 The Beatles. 9.



erry mon  
old

# Leonore, Electra, Violetta

by ANDREW PORTER

he arrival of Sarah  
his month, making her  
out with *La traviata*.  
opolitan Opera season  
ully distinguished con-  
The first of the year  
e been Leonard Bern-  
a major revival of  
at Mr. Bernstein with-  
ing his protégé John  
(who has conducted  
of *Servile* for Wales,  
his country the Bern-  
s *Moss* and *Candide*)  
e. Mr. Mauceri, I  
id pretty well. His  
athletic and assured,  
lacked any deep  
The start of the  
chorus was not  
moving.

1 Jones's Leonore was  
of the performance,  
we all know, an un-  
er, and a very beautiful  
r best. *Fidelio*—ever  
ang her first Leonore,  
as Rocco, was rock-  
in 1964—seems to  
the best in her. The  
ion was spontaneous,  
passioned, stirring and  
any tint of self-  
The directness and  
f her approach so to  
of things. She is still

an imperfect actress who tends  
to stand crouched, with her  
elbows crooked, but her clear,  
candid features are expressive,  
and the transitions from boyish-  
ness to loving woman were  
subtle and unselfconsciously  
achieved. Her voice sounded  
very powerful, in an effortless,  
not forced, way; in fact, not since  
Birgit Nilsson have I heard a  
singer fill the huge hideous, gilt  
hangar of the Met with such  
ease. And she used that voice  
smoothly.

Foreman was Jess Thomas,  
noble and poetic in utterance,  
able to emphasise individual  
words without breaking Bee-  
hoven's lines. In Otto Schenk's  
strong and otherwise unaffected  
production, Donald McIntyre  
played Pizarro as a fussy  
neurotic little man with fidgety  
gestures and a goldrimmed  
spectacles. His intonation some-  
times strayed. John Macurdy's  
as Rocco, was rock-  
in 1964—seems to  
the best in her. The  
ion was spontaneous,  
passioned, stirring and  
any tint of self-  
The directness and  
f her approach so to  
of things. She is still

by Herbert Graf, set by Rudolf  
Heinrich in a sort of slate quarry,  
with huge chunks of the stuff  
suspended overhead. It was sung  
originally by Nilsson, Danica  
Maslović and Teresa Kubiak,  
then Leon Rysanek, were the  
electra and Chrysothemis of this  
season's earlier performances,  
but when I went it was to hear  
Ursula Schröder-Feinen (the  
Brünnhilde of Solti's forth-  
coming *Paris Ring*) and Roberta  
Knie (the Brünnhilde, in alterna-  
tion with Miss Jones, of Boulez's  
forthcoming Bayreuth *Ring*). A  
great Brünnhilde of the past was  
the Clotemnesse; and I can  
happily report that Astrid  
Varnay's voice was back under  
control and that many of the  
sounds still had the old dark,  
thrilling power.

Miss Schröder-Feinen is a very  
secure soprano with an even,  
well-schooled voice, not strident,  
not squally. Her acting was  
accomplished: enough show and  
a shade dumpy, this Electra was  
brought to life by the rapid  
visionary gleam in her eyes. But  
there was not much gleam or  
dramatic excitement in the  
timbre. There was nothing  
exactly wrong, except a lack of  
sheer power in the climaxes; nor  
was there anything especially  
memorable. Miss Knie is tall,  
and dramatic in a slightly un-  
disciplined way, but vocally and  
in her stage presence. The voice  
is strong, clear, not very beauti-  
ful. Robert Nagy's Agasthus  
was good; William Dooley's  
Orestes was weak. Sound 'is  
perhaps the word for Heinrich  
Hollerstein's conducting—every-  
thing in place, and nothing  
remarkable. The Solti-Nilsson  
*Elektra* at Covent Garden set a  
standard that makes all who  
heard it unsatisfied by anything  
less.

Memory, past experience, can  
often make a present perform-  
ance seem pale; and every  
assiduous operator is likely to  
have assembled in mind's ear  
and eye, from the condensed  
of—well, among other things, let  
us say Gemma Bellincioni and  
Nellie Melba and Rosa Ponselle  
on records. Maria Callas and  
Josephine Barston in life, and  
perhaps Garbo, Edwige Fenech,  
and Margaret Fountaine, other  
mediums, beside which a single  
performer can hardly hold her  
own. Unless, like Beverly Sills  
in the Met performance, she is  
so touching, vivid, and at every  
moment affecting a *Fidelio* that  
all that matters is the present,  
and one is rapt in everything she  
says, does, thinks, feels.

Verdi wanted Rusina Penco, his  
first Leonora in *Il trovatore*, to  
be a *Fidelio*. "She has a  
beautiful face, a beautiful  
theatrical presence," he said, "the  
best qualities for a *Traviata*.  
Again and again, he declared that  
such qualities mattered more to  
him than perfect vocal technique.  
All the same, his letters must not

be used to justify rough, squally  
singing. These things are relative,  
and, once the gramophone age is  
reached, there is hard evidence  
to show that the interpreters  
Verdi most admired—Patti, above  
all—were excellent vocalists.  
Moreover, the magic of excellent  
vocalism as every assiduous  
operator also knows—can trans-  
form the plumpiest, plinest  
prima donna into a radiant young  
heroine.

Miss Sills has a beautiful face,  
spirit, and theatrical presence.  
She lacks the full, free swell of  
tone that a *Fidelio* needs, but in  
this performance she was careful  
not to put more pressure on the  
voice than it can bear. She can  
project a soft, intense, delicately  
moulded line that carries into  
every corner of the house. With  
exquisite timing (some silences  
were very boldly sustained), con-  
summate musicianship, and extra-  
ordinarily cogent acting, she held  
the house spellbound. In the  
past—as this page has often told  
—I have found Miss Sills too  
flawed a vocalist to command  
wholehearted admiration. But I  
found this *Fidelio* irresistible.

Caldwell and Sills have long  
been a famous partnership, and  
many Boston Opera triumphs.  
Their first Met collaboration was  
a triumph, too. Miss Caldwell's  
basic tempi were often set fast  
and fast, as the metronome  
indications in Verdi's score,  
which is faster than *La traviata*  
is usually conducted). There  
was excitement, but no rushing  
or straitjacketing, for she under-  
stands the word for Heinrich  
Hollerstein's conducting—every-  
thing in place, and nothing  
remarkable. The Solti-Nilsson  
*Elektra* at Covent Garden set a  
standard that makes all who  
heard it unsatisfied by anything  
less.

There have been murmurs  
about the size of the British  
contingent at the Met this season—  
Mr. Burrows in *La traviata*,  
Elizabeth Harwood, Anne  
Glenister and Alan Davies in  
*Costi*, produced by Patrick Libby;  
Rita Hunter as Norma; Miss  
Jones and Mr. McIntyre in  
*Fidelio*; most recently, Mr.  
Davies in *Il trovatore*, and Kiri  
Te Kanawa and Stanford Dean  
in *Figaro*, conducted by Steven  
Bedford. (There have even been  
murmurs about a British critic's  
admiration for many of these  
performers.) But a British ex-  
port admirer of the Met is  
theatrical presence," he said, "the  
best qualities for a *Traviata*.  
Again and again, he declared that  
such qualities mattered more to  
him than perfect vocal technique.  
All the same, his letters must not



Ernest Gambart

about what might have happened  
if the new rich of the Midlands  
had gone in for French art!  
Their American contemporaries  
were more alert to true quality.  
However, Gambart's nephew,  
Paul Deschamps, who does not  
quite receive the treatment he  
deserves in Mr. Maas's book, was  
an admirer of Degas.

Gambart had many virtues, but  
he was a first-rate promoter of  
second-rate goods. He lacked the  
flair that distinguished such  
dealers as Paul Durand-Ruel or,  
later, René Gimpel. Once he  
had made his fortune he retired  
to the Continent, dividing his  
time between Spain and Nice,  
where he entertained widely and  
managed to secure the honorary  
post of Spanish Vice-Consul. This  
helped to launch him in society;  
like many other dealers, he loved  
to collect decorations and the  
dust jacket of this book shows  
the old boy proudly sporting his  
spurs. His later life was not  
without complications, for he  
had a keen eye for women and  
something of a scandal was  
created by his relations with  
Marie Tilly. He died in 1902.

This volume which is rather  
on the long side, reminds us that  
the nineteenth century was a  
period when interest in art was  
widespread and when the upper  
and middle classes had the  
means and the leisure to buy  
works of art and to visit  
exhibitions. Now that such a  
song and dance is made about  
the keenness for art in our time,  
it is as well to remember that  
this was so; and should we not  
recall that most of Gambart's  
swans turned into geese?  
Gambart is a ghost at the feast.

## The Entertainment Guide is on Page 31

somewhat over-enthusiastically  
dubs his hero a "Prince of the  
Victorian art world."

Gambart himself is not a very  
inspiring character. He was an  
able and honest dealer who had  
a keen grasp of human nature  
and the gift of the gab. He  
realised that good food and wine  
and jolly parties would do much  
to oil the wheels.

He was also one of the first  
dealers to understand the part  
that publicity could play in sell-  
ing his wares, and he skillfully  
manipulated the art and social  
world of his time.

Gambart was born in Belgium  
in 1814 and crossed to England  
in 1840 as a salesman for the  
prints published by the well-  
known firm of Goupil. Mr. Maas  
makes clear the major role  
played by the print in Victorian  
art life. Paintings which caught  
the public's fancy were shown  
in various cities, and the prints  
made after them sold well—  
until photography killed the  
trade.

The astute dealer made a good  
deal of money from selling  
prints after Rosa Bonheur's *The  
Horse Fair* and Holman Hunt's  
*The Light of the World*. The  
details provided about such trans-  
actions are highly informative  
about Victorian taste and the  
mechanics of the art trade.

unpublished sources and delved  
into the back numbers of the  
*Art-Journal*, provides a useful  
picture of the art world of the  
time, even if he rather over-  
crowds his canvas with details.

He brings out the way in which  
Gambart speculated in modern  
English art and realised that it  
was possible to sell contemporary  
foreign paintings in London,  
once the ice had been broken.  
Mr. Maas observes that the close  
Anglo-French relationship that  
occurred with the Crimean War  
was helpful in this respect. Over  
the years this energetic dealer  
imported quantities of French,  
Belgian and German paintings  
into England. Alas, that the bulk  
were by mediocre painters.

Information about the French  
art trade is more wisely avail-  
able than about its counterpart  
in London, largely owing to the  
publication of the papers of the  
famous firm of Durand-Ruel. Mr.  
Maas's account of Gambart's  
dealings with Joseph Giltot and  
negotiations with D. R. Rossetti  
makes a useful contribution to  
the subject, which of course is  
no more than partially treated in  
this book. He discusses the part  
played in the trade by Agnew's  
(and the uncouth E. V. Plowden,  
however, he does not examine  
the chances missed by these  
dealers in failing to support the  
Impressionists. Agnew's, for in-  
stance, could have handled the

selling of Degas's marvellous  
Musson's Office at New Orleans.  
It is fascinating to speculate

## Adelphi

### A Little Night Music

Virginia McKenna, who has  
taken over the part of Desirée  
Armfeldt in *A Little Night  
Music*, has now played herself  
in and I went to see her last  
Friday. She presents a character  
somewhat softer, less intriguing,  
than Jean Simmons gave us. A  
little dash of Miss Arkadina in  
the make-up would perhaps be  
welcome, but what this Desirée  
loses in naughtiness she gains in  
sympathy. It may be a purely  
personal reaction, but I would  
have liked to hear her sing  
"Send in the clowns" more  
legato. It's a great tune; pity  
to conceal it behind the  
emotions.

As it happened there were two  
more replacements on the night  
of my visit. Flu germs were at  
Angela Baddeley and Maria  
Aitken, and their parts were  
taken by Daphne Anderson and  
Erica Rogers. Miss Anderson is  
too intrinsically nice for us to  
believe that she could have had  
a career as wicked as Madame

Armfeldt's, but you could see  
what the Baron de Sigzac and the  
Duke of Ferrara and the King of  
the Belgians were about when  
they chose her for their gallan-  
tries. Miss Rogers has played  
somewhat softer, less intriguing,  
than Jean Simmons gave us. A  
little dash of Miss Arkadina in  
the make-up would perhaps be  
welcome, but what this Desirée  
loses in naughtiness she gains in  
sympathy. It may be a purely  
personal reaction, but I would  
have liked to hear her sing  
"Send in the clowns" more  
legato. It's a great tune; pity  
to conceal it behind the  
emotions.

A third visit confirms the  
affection stirred in me by the  
first and second, and I shall  
probably go again.

B. A. YOUNG

### Schnitzler's 'Anatol' at the Open Space

Prunella Scales will play six  
different characters in the Frank  
Mareau adaptation of Arthur  
Schnitzler's comedy *Anatol* which  
opens at the Open Space to-  
morrow. Derek Godfrey will  
play the principal role of Anatol,  
supported by Nicholas Selby.

## at Hall

### Alfred Brendel

by RONALD CRICHTON

recent years, when the  
tion of Liszt has ex-  
the operatic fantasias  
arian Rhapsodies, would  
een possible even for a  
Brendel's eminence to  
rogramme arranged in  
nce he chose for his re-  
unday afternoon in the  
nk series. Bach, then  
ngarian Rhapsodies in  
on usually reserved for  
work. After the inter-  
hoven's *Diabelli Vari-  
ion* before Liszt's re-  
m, it would hardly have  
reivable for a pro-  
announcer, as Gerald  
ld on this occasion, to  
links between Liszt's  
s and Bach's *Chromatic  
nd Fugue*.

I seemed to share that  
ans untenable view, but  
his support more by  
his Liszt than by  
his Bach got wet. The  
Fantasy was clear and  
a whistle, to an extent,  
ade one wonder if this  
r piece, played on a  
grand in a large hall,  
do with a little less  
n. In the A minor

## Festival Hall

### Britten

by MAX LOPPERT

Paul Tortelier and the London  
Symphony Orchestra under  
Erich Leinsdorf are to be  
thanked for Sunday's gripping  
account of the Britten Symphony  
in D for Cello and Orchestra.  
Not having heard the Cello Sym-  
phony for several years, I had  
forgotten what an arrestingly  
dark and powerful piece it is.  
How eloquently varied its com-  
mand of biting, crabbed, bleakly  
sonorous instrumental timbres,  
how finely calculated the cello  
writing, how ingeniously fast the  
structure. Tortelier's impassioned  
assumption of the solo part may  
have been less remarkable for  
the surges of big tone and the  
washes of colour than the fami-  
liar Rostropovich performance;  
but for sustained intensity (after  
a slightly "queasy" approach to  
the first few top notes) and sus-  
tained comprehension of all the  
tones of cello melancholy ex-  
plored by Britten, it was no less  
admirable.

Was it something about the  
Frenchman's noble Don Quixote  
presence that drew one fresh to  
Spanish-sounding elements in the  
music, the glittering, courtly,  
ceremonial gestures contrasted  
by the singular, keening sound  
of the cello; or was there some-

thing of such proudly mournful  
display in the composer's original  
intention? Another unexpected  
memory, useful for comparison  
of similarities rather than their  
many differences, was the Ravel  
*Left and Right* Concerto, also  
a sombre contrast of dark orches-  
tral fantasy and a mainly low-  
pitched solo protagonist. In the  
brass fanfares of the third move-  
ment, the colours rang out a  
little less boldly than they might  
have. Mr. Leinsdorf seemed con-  
cerned principally to keep the  
orchestral contribution sharp-  
pointed in direction. The char-  
actering, oddly buoyant, wind  
figures of the Finale could also  
have been more robustly deli-  
vered. The movement always  
seems to end too soon, before  
the full impact of the D major  
transformation has been realised.  
Perhaps that is its distinctive  
virtue.

The rest of a symphonical pro-  
gramme all in the key of D was  
less unusual, and less remarkably  
played. Under Mr. Leinsdorf the  
security and balance of the LSO  
playing are qualities always con-  
fiding in themselves; but in both  
Haydn's 93rd Symphony, before  
the Britten, and the Brahms  
Second Symphony after the inter-  
val, one often longed for comple-  
mentary streaks of colour,  
energy, humour, charm, or even  
the occasional rough edge. The  
Haydn symphony, with its ever-  
delightful "rude noise" in the  
slow movement, and its lightly  
graced and flicked Finale melody,  
was funless. The Brahms was  
shaped in firm, strong strokes,  
with almost no smug affectation in  
the statement of melody, or rich,  
deep amplitude of tone in the  
Adagio. Both performances were  
notable for their sureness of  
craft, not their spark of inspira-  
tion.

### Pompeii at the Royal Academy

A major exhibition of the  
treasures from the buried cities  
of Pompeii and Herculaneum  
will open at the Royal Academy  
in November. Entitled *Pompeii  
AD79*, it will be the Academy's  
first Winter Exhibition and will  
continue until the end of  
February 1977. The exhibition  
is sponsored by Imperial Tobacco  
in association with the Daily  
Telegraph.

The exhibition will be based  
largely on the archaeological and  
art treasures from the Museo  
Archeologico Nazionale in  
Naples, as well as objects drawn  
from other sources throughout  
Europe. It will, it is claimed,  
be the most comprehensive  
exhibition ever seen outside Italy  
of arts and artifacts buried by  
the eruption of Vesuvius in  
AD79. It will also be the first  
time that these treasures have  
been seen in this country.

## Young Musicians

by PAUL GRIFFITHS

concerts on Sunday the  
London Arts Association  
l nine of those who  
n chosen as "Young  
s 1976," qualifying them  
nce over the next two  
n establishing their  
the GLAA offers grants  
sions in London which  
their protégés. Three  
ve instrumentalists and  
er were the beneficiaries  
organist and two jazz  
ill also profit from the

mposer was Judith Weir,  
of the Air was twice  
the Vega Wind Quintet.  
nature. She was at her best in  
tr, who is at present  
composition in Cam-  
expresses herself  
in this piece with the  
thoughts between sec-  
music, a matter which  
ised composers at least  
delosohn and Schumann  
d no breaks between  
e movements. Out of  
on the other hand, pos-  
sioles in gaps, during  
e is intended to imagine  
material. I found not-  
ulating in Miss Weir's  
much evidence that she  
ght enough about the  
silence. As for what  
provide in the work  
to extinction beside re-  
of Ligeti's capsules of  
diversity for the same

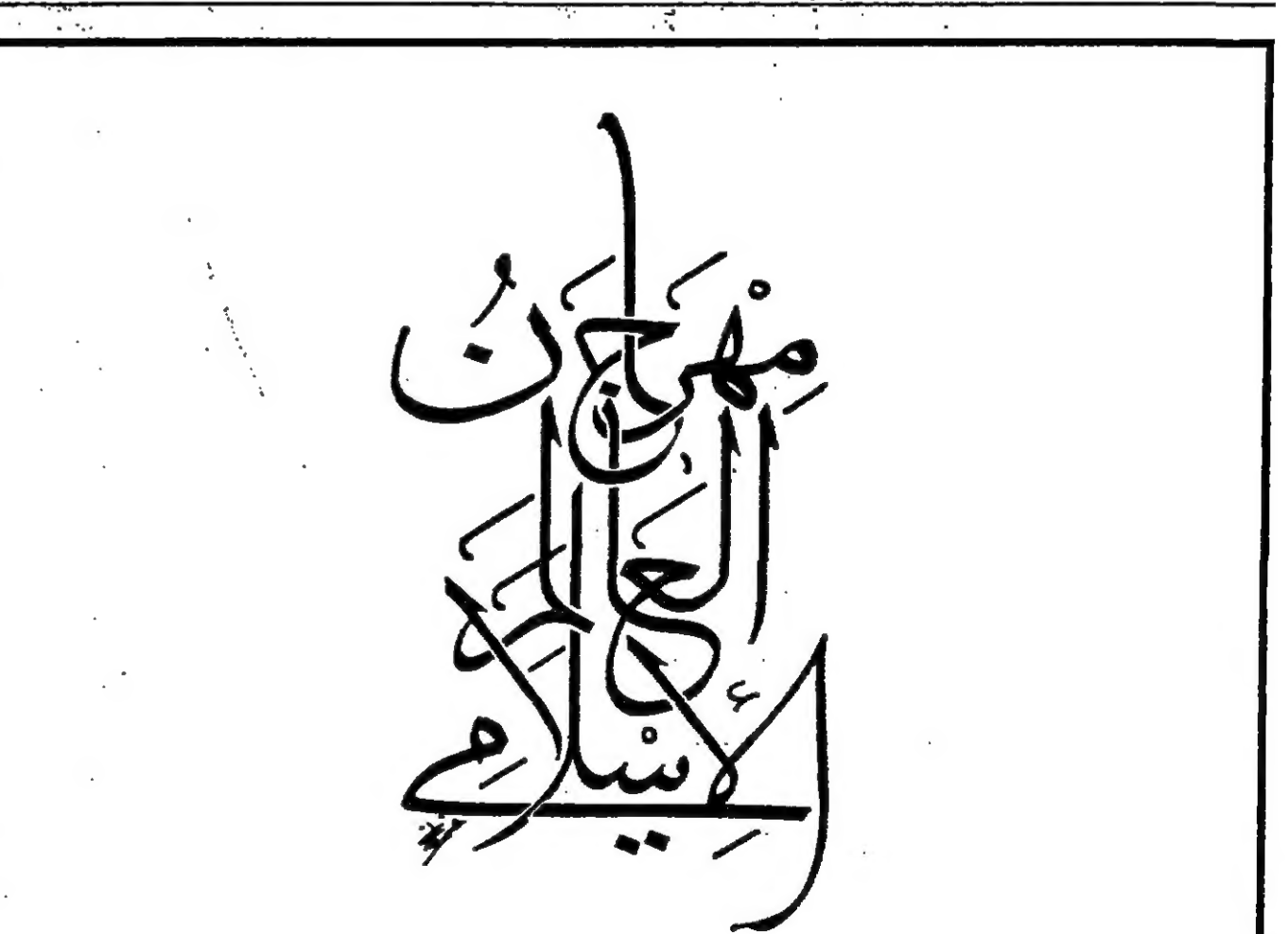
ensemble—and Ligeti's truly is  
music to excite mental contin-  
uation. Paradoxically, when  
Brendel gradually allowed an  
ever-wider range of tonal colour  
that sent rays forward to Chopin  
and Liszt, and most of all when  
the music becomes overtly  
Bachian, one realised what has  
been lacking in the real Bach  
earlier on.

Nothing in Susan Lynn's  
playing was by any means so  
delosohn and Schumann  
d no breaks between  
e movements. Out of  
on the other hand, pos-  
sioles in gaps, during  
e is intended to imagine  
material. I found not-  
ulating in Miss Weir's  
much evidence that she  
ght enough about the  
silence. As for what  
provide in the work  
to extinction beside re-  
of Ligeti's capsules of  
diversity for the same

pays your money (the GLAA  
helps), and you takes your  
choice.

Another player of excellent  
promise is the violinist Norbert  
Blume. His programme of Reger  
and Hindemith was knotty and  
ill-designed to display tonal  
levelness, but he was able to  
show astonishing skill in scurry-  
ing through Hindemith's fast  
movements. William Waters  
showed poised and soft-spoken  
accomplishment in his guitar  
pieces, though he is probably  
too young for individual fair to  
be prominent. Graham Sheen  
is a gentle bassoonist, one who  
can make his instrument sound  
almost gorgeous in such a work  
as the Saint-Saëns sonata.

Best of the singers was Anna  
Bernardin, most particularly in  
her arias from Rameau, Cavalli  
and Tippet. She is versatile  
enough to fit her soprano voice  
to the very different styles re-  
quired by these composers, and  
her tone is pure and golden.  
Michael Leighton Jones, a bar-  
itone member of the Scholars,  
used his light voice with good  
sense in a mixed selection of  
songs. Finally, the soprano  
Jacquelyn Fuglestad, much  
too hard with her expressive  
shades (more *impastos*) in  
Berlioz and Malcolm Williamson,  
but her clear light through an  
extract from *La sonnambula*  
was a joy.



## World of Islam Festival

The Financial Times proposes to publish on April 6 1976 a major survey to  
mark the opening in London of the World of Islam Festival.

The survey will begin by analysing the political, economic and diplomatic roles of the  
Islamic nations. The educational, legal, missionary and intellectual aspects of Islam and  
the significance of the Arabic language will then be examined and the concluding articles  
will cover various Islamic Arts and Crafts. This final section will also report on the Art  
market and summarise the activities which are to take place, under the aegis of the World  
of Islam Festival, in Britain this summer.

If your company has a message for the world of international business, and for Islam in  
particular, an advertisement in this survey will enable your message to be heard... and  
acted upon... by influential officials and executives who should be told about your  
company's skills, achievements and special trading links.

Mrs. Leconte-Peacock will provide all the information you require regarding editorial  
content and advertisement data. Contact her, by telephone, on 01-248 8000, extension 515,  
or if you prefer to write, at the Financial Times, Bracken House, 10 Cannon Street, London  
EC4P 4BY. Telex: 885033.

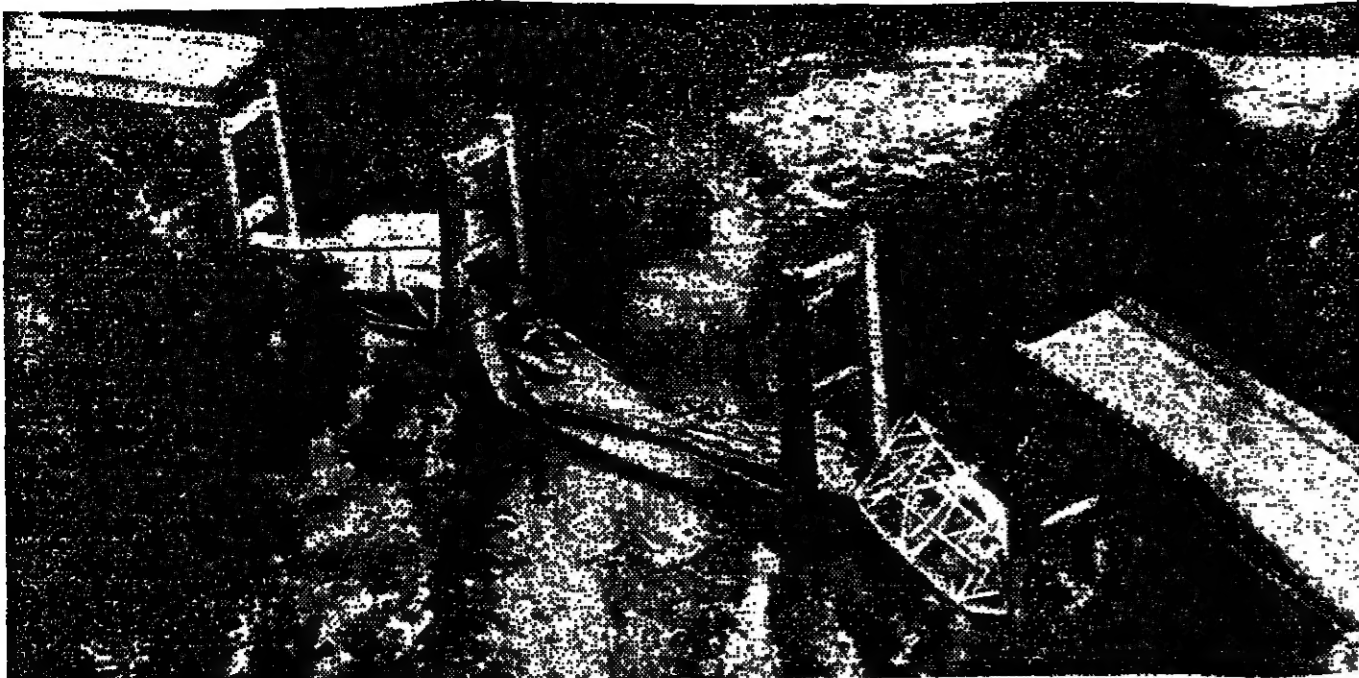
## THE WORLD OF ISLAM

An FT survey scheduled for publication on April 6\* 1976

The contents and publication date of this survey are subject to complete editorial discretion.



## AMERICAN NEWS



The destroyed bridge at Aguas Calientes outside Guatemala City. Landslides and collapsed bridges are hampering rescue operations to the stricken countryside.

## Air France to open Concorde Caracas route

By Michael Deane, Aerospace Correspondent

AIR FRANCE is to open a new Concorde route between Paris and Caracas, Venezuela, on April 9. This will be the airline's second Concorde operation, the other being the service to Rio de Janeiro, via Dakar, opened on January 31, when British Airways began its own service between Heathrow and Bahrain.

It was reported from Melbourne yesterday that the Victoria State Government, in the light of last week's U.S. decision to give Concorde a 16 months' trial at Kennedy and Dulles Airports, has recommended a similar experimental period of 13 months' operations into Melbourne's Tullamarine Airport.

## Guatemala toll may be 17,500

By Alan Riding

GUATEMALA CITY, Feb. 9.

THE DISCOVERY of new Indian villages destroyed by last Wednesday's earthquake today increased the official estimate of casualties in the Guatemalan disaster to over 17,500 dead and 40,000 injured.

But, with at least 25 mountain villages still uncommunicated by road and not yet reached by helicopter, the final death toll is still expected to rise. "We may never know accurately," said a Guatemalan Army officer, "because many people buried their relatives without informing the authorities, while other bodies are still in the rubble."

Despite the tendency for local Government to exaggerate disaster casualty figures in order to attract foreign aid, U.S. Army experts here today estimated the number of dead at over 15,000 and agreed that this too might be conservative.

As the grim news from the mountains continued to arrive in Guatemala City, however, the domestic and foreign relief programme moved into gear. Inevitably, there are complaints of inefficiency by the Guatemalan Army and of slow responses by voluntary groups here, but there have been no reports of stealing or looting of the relief supplies by Guatemalan soldiers involved in the rescue operation.

In some areas, first aid units have managed to ease the immediate crisis. In the badly damaged town of San Juan Zacatepeques, which I visited this morning, Guatemalan and Honduran doctors have already treated the worst wounded.

But in the town of San Martin Jilotepeque, where estimates of the death toll vary between 1,200 and 3,000, thousands of wounded

from nearby Indian settlements are still awaiting treatment. This is an area that Oxfam has chosen for a major aid effort. In Guatemala City, the situation returned as close to normal as possible to-day, with many shops re-opening, traffic jamming the streets and Indian fruit markets covering the pavements. The city's hospitals also seem to have overcome the immediate emergency and are now receiving wounded from the country. In the poor slum districts, worst-hit by the earthquake, there are some reports of stealing by organised gangs wandering among the tent cities that have sprung up to shelter refugees. However, despite an unconfirmed report that police shot five looters yesterday, the situation in the city has been astonishingly calm so far.

Coffee picks up, Page 33

## Sen. Bensten may drop bid for nomination

By Our Own Correspondent

WASHINGTON, Feb. 9.

IT LOOKS as though another Democrat is about to drop out of the Presidential nomination race. Senator Lloyd Bensten from Texas said this morning that following his poor showing in the Oklahoma State caucuses on Saturday, he was seriously considering whether there was much point in staying in the contest.

Sen. Bensten, a generally conservative Democrat, finished at best third in Oklahoma, virtually tied with Governor George Wallace of Alabama, with about 11 per cent of the delegates committed to him.

He had said before that if he finished no better than third in Oklahoma, where he had lavished a good deal of money and effort, then his chances were slim. His poor performance comes on top of a similarly dismal result in the Mississippi caucuses two weeks ago.

Sen. Bensten had never been considered a strong candidate. It was thought that his principal aim was either to play a broker's role in the national convention in July or to acquire sufficient publicity to make himself a possible Vice-Presidential choice.

Originally he had hoped to present himself as a rational middle-of-the-road Democrat who might neutralise the power in the south of Governor Wallace. However, that mantle has now fallen among the declared candidates on to Mr. Jimmy Carter from Georgia, who has a crucial battle with Governor Wallace in the Florida primary on March 9.

The latest results from the Oklahoma caucuses still put Mr. Carter and former Senator Fred Harris from Oklahoma almost dead level, but with the approval of 20 per cent, that both have gained well behind the uncommitted state organised by the popular State Governor, Mr. David Boren.

## THE LOCKHEED PAYMENTS

# GAO worry about effect of disclosures on sales

By Jurek Martin, U.S. Editor

WASHINGTON, Feb. 9.

THE General Accounting Office, a federal watchdog agency, is concerned that unfavourable publicity resulting from disclosure of bribes paid by Lockheed to foreign officials may adversely affect the company's future international sales.

GAO says in its fourth report on the state of the 1971 Lockheed emergency loan programme that "the potential results arising from the actions of the Government agencies concerned with the company's payments to foreign officials may seriously inhibit Lockheed's future success in foreign markets and invalidate its current forecasts."

The GAO's function is narrow; it is obliged merely to satisfy itself that the federal Government's interests are being protected and it concludes that the current value of the collateral pledged by Lockheed in return for receiving Government guaranteed loans of, at present, \$195m, is quite sufficient.

However, it does make the point that, among other factors, Lockheed's ability to repay its loans is in good part predicated on its future sales overseas, forecast at being worth \$42m in the five-year span 1975-79.

Lockheed has already secured an extension of the 1971 loan programme, due to be wound up at the end of last year, until 1977. It is also seeking to re-

negotiate with its leading bankers a major financial reconstruction package, including the conversion of bank loans and certain debentures into preferred stock.

However, this plan, which also requires stockholder approval, is tied up because of the dispute

between the company and the Securities and Exchange Commission over the extent of disclosure about the company's foreign payments that would have to go in the proxy statement. The shareholders' meeting has already been postponed three times because of the dispute, which is still before the courts in Washington.

Lockheed's position is that it may lose sales if it is forced to reveal whom it has paid off.

Dr Kissinger, the Secret State, also opposed full disclosure on the ground that it might harm American policy interests.

The GAO takes no account of the merits of the argument that it does state that even if forecasts of foreign sales are not affected, Lockheed does not at complete repayment guaranteed loans even if extended periods of provision, considering the negative factors above.

A GAO official was to stress that the situation fluid and that a complete successful refinancing of the loans would be agreed to with the bank change matters. But he said that Lockheed would need an extension of 1 deadline.

The GAO also noted that Lockheed had both revised its estimates of sales worldwide and its production schedule, and that the cost of the aircraft is also being revised. "It is apparent," the GAO said, "that Lockheed's L-1011 programme is in a state of flux which is affecting the previous estimates of those projected could material losses in the future."

## Japan seeks evidence in U.S.

By Charles Smith, Far East Editor

THE JAPANESE Government yesterday dispatched its Deputy Foreign Minister, Mr. Katsuke Arita, to Washington to conduct an on-the-spot investigation into the bribery allegations involving Japanese public figures in connection with Lockheed aircraft sales.

The Government also decided to summon as witnesses before the Diet some of the men so far named as agents of the U.S. company or recipients of its pay-off.

The principal character in the drama, Mr. Yoshio Kodama, has remained silent and uncontactable up to now. But another man, who could hold a clue to the scandal building up around the Lockheed case, is Mr. Kenji Otsu, a self-made yen multi-millionaire with interests in travel and tourism, who happened also to be a close associate of ex-Prime Minister Kakuei Tanaka.

Mr. Otsu, who is named by Lockheed's vice-chairman, Mr. Katsuhiko, as having been a Lockheed "agent" has so far emphatically denied involvement in the aircraft bribery case, although he did this afternoon withdraw an earlier denial that he had even met Mr. Katsuhiko. Lockheed public opinion, which has been turning against Mr. Tanaka before he resigned in

November, 1974, seems inclined to cast the ex-Prime Minister in the role of villain in the Lockheed case. However, any allegations against Mr. Tanaka remain extremely imprecise, and there is some ground for the belief that the Lockheed scandal may turn out to lead elsewhere in the Japanese Conservative leadership.

Mr. Kodama is known to be on particularly close terms with ex-Prime Minister Kishi, who was in power when the Lockheed F104 fighter was selected by Japan's Self Defence Agency in 1960. Both Mr. Kishi and Mr. Kodama are associated with the right-wing pro-Taiwan and pro-Korea lobbies.

Mr. Tanaka, who negotiated the normalisation of Japan's diplomatic relations with Peking, is definitely not a pro-Taiwan man and has been on correspondingly poor terms with the far right of the Liberal Democratic Party.

The truth about Mr. Tanaka's involvement, or about that of other senior LDP leaders, will not be known until the Government clears up the scandal from Washington or makes progress with its own investigations. Various consequences of the scandal, including the possibility of a public image of the present

right-wing political movement, of which the Liberal Party forms a part, taken a tremendous blow, which could well show result of the election, this year.

Second, parliamentary in Japan will come to halt as the Government the Lockheed case, with delays in the passage of the Budget.

Third, Japan's political defence relationship with U.S. is certain to come very heavy blows from the scandal.

Finally, there will be difficulties in the aircraft for the next "build-up plan" of the Defence Agency, including the cancellation of an anti-submarine warfare ship, the PC-3 Orion had been regarded as the obvious choice. The Lockheed scandal already has been seen as the worst piece of bad luck since the way of Mr. Tanaka's resignation, and some observers feel that this out to be a serious portent of the situation. The crisis could be a prelude of the present moment.

## WORLD TRADE NEWS

### EEC access 'vital to N. Zealand'

By Margaret Hughes

CONTINUED access to the Common Market, now that Britain has decided to remain a member, is a matter of life or death to New Zealand, Mr. Brian Talboys, the Deputy Prime Minister, asserted in London yesterday. Mr. Talboys, who is also Foreign Affairs and Overseas Trade Minister, is the first member of the new National Government to visit Britain.

The Government, Mr. Talboys said, was working hard to ensure that New Zealand has "a continuing right to supply significant quantities of butter, either to Britain or the EEC market as a whole." Total elimination of New Zealand dairy products from the market would cause "irreparable harm" to the domestic economy and would also undermine New Zealand's role within the Pacific area and South East Asia.

He also felt that it would "do no good to the EEC" emphasising that New Zealand trade with the EEC is a two-way affair. EEC exports to New Zealand last year totalled \$2,780m, against exports from New Zealand of \$2,670m. The balance of trade pointed out, left a deficit of \$110m, "which is more than twice the value of New Zealand's dairy exports to the Common Market."

He confirmed, however, that New Zealand has been forced to accept that there will be a progressive decline in its butter shipment quotas to the EEC after 1977 when the present arrangement expires. The EEC proposal for 1980 is 115,000 tons, while New Zealand wants to lift this to 117,000 tons.

Instead, New Zealand is now proposing an adjustment of these quotas which gives the same shipment total over the three-year period (1980-1982) and the same yearly average. But it would allow a bigger quota for 1980, offset by smaller shipments in the earlier period. The EEC proposal for 1980 is 115,000 tons, while New Zealand wants to lift this to 117,000 tons.

### EEC all-clear on suits duty

By Our Industrial Staff

THE DEPARTMENT of Trade disclosed last night that the EEC has given Britain the all-clear to impose a provisional anti-dumping duty on imports of East European suits. If a prima facie case can be made that suits are being dumped, a duty can be levied pending a full investigation. No evidence exists, the Department said, that such suits—offered to U.K. retailers for as little as £350—have yet been imported to Britain.

The issue was highlighted by MPs representing textile constituencies who warned of the dangers that a sharp upsurge in imports would hold for the British industry.

The Department of Trade pointed out that textile imports are subject to surveillance licensing which would indicate whether any increases were in the pipeline. In addition, a licence is required for imports of man-made fibres and this could be refused if it were thought the effect would be harmful to the British industry.

## Spanish industry hopes for devaluation benefit

By Quentin Peel

THE PRIMARY aim of Spain's 11 per cent devaluation yesterday will be to boost exports in an effort to reduce the country's huge trade deficit, running at \$70m in 1975. At the same time it is hoped that the move will attract a substantial increase in tourism and encourage foreign currency earnings.

But the devaluation is unlikely to provide much support for the agricultural sector, which still makes up the most important part of Spain's visible exports. Out of total exports to the U.K. in 1975, fruit and vegetables made up \$58m and wines some \$21m.

EEC tariffs provide a severe restriction on the expansion of agricultural exports, with strict reference prices for oranges, tomatoes and cucumbers, and also restrictions on wine imports.

However, the U.K. is still covered by transitional tariffs, which have stayed well below the levels in the rest of the Community, because of the prospect of an overall EEC-Spain trade pact. British tariff levels have been allowed to remain at the level the trade negotiations are expected to set when they are completed, leaving Spanish exporters considerably more opportunities in the U.K. market.

But Spanish produce must also compete with Italian output, which has benefited even more from the effective devaluation of the lira.

The principal advantage of the devaluation is being looked for in the industrial sector, which has been steadily growing in importance. In 1975 Spain's exports of machinery to the U.K. totalled some \$33.5m, while textiles and footwear amounted to some \$15m. In those markets price competitiveness is likely to be more significant than for agricultural goods.

Meanwhile, British exporters yesterday adopted a wait-and-see attitude, unwilling to commit themselves to a clear reaction until they had seen what sort of effect on our exports Mr. A. N. Vassiliou, chairman of the London Chamber of Commerce, said. "But by and large we are competitive. If the Spaniards still want our goods, I think they do. I don't think it will play a great role."

### Cut in cost of holidays

By Arthur Sandles

DEVALUATION of the peseta could possibly stop the rot as far as British tourist traffic to Spain is concerned. Market reports in recent weeks have suggested that while the overall market for holiday traffic from the U.K. abroad has been relatively healthy, bookings to Spain have fallen appreciably.

Last year a little more than 3.4m. Britons visited Spain, more than 2m. of them on package tours. However, package tour companies have been eager to spread their traffic around the Mediterranean basin as political question marks rose over Spain, and customers too have been showing renewed interest in such destinations as Greece and Yugoslavia.

Last night Cosmos Tours, one of the "big three" British tour operators, said that the devaluation "will benefit unquestionably the Costa Brava, Benidorm and Majorca. Mr. Stevenson Pugh, director of sales, said. These are traditional 'hot' areas for many British holidaymakers, which have been as much as 50 per cent down in forward bookings for the summer this year, compared with the same month last year.

But more than 30m. foreign tourists visit Spain each year and many of them will be in a somewhat better position than the British. The devaluation should be passed on to the Germans and Scandinavians in full.

## EXPORT CREDITS

### Harmonisation hopes revived

By David Curry

THE VEXED question of bringing order into international competition on export credit terms is to be raised at this month's meeting of Common Market Finance Ministers. The Dutch Government insists on putting the question on the agenda on the grounds that recent elaborations to some national export credit insurance arrangements are making a bad situation worse.

The Dutch initiative comes after a judgment of the European Court of Justice towards the end of last year which put export credit questions firmly within Community competence, rather than subject to negotiation by individual states with the Commission not a principal in the negotiations. The verdict immediately raised hopes that the long-standing, and up to now abortive, effort to reach a gentlemen's agreement on controlling export credit terms between the U.S., Japan and the EEC could be resumed with a better chance of success. The last attempt to reach agreement had foundered in May when the French and, to a lesser extent the Japanese, declined to accept the framework

worked out in a Brussels negotiating session. Some importance has been attached to the Dutch request because of French moves since the court judgment to reach a separate agreement with the U.S. Apparently hoping to circumvent the question of Community competence, the French Government approached the U.S. to settle the points between them in the hope that the two governments, together with the Japanese who the Americans approached, would be able to make unilateral declarations on common credit terms. The Commission learned of the French initiative, it appears, through the Japanese who inquired as to what was afoot.

In the light of the court judgment the Commission has itself asked the Council to give it a negotiating mandate for the settlement of the system of export credit with development aid. The Commission is hoping that the French approach to the U.S. indicated some flexibility on these points which may persist into a Community-managed negotiation.

accept its competence in the matter. It will have a tough fight to get a mandate for negotiation, given the divergent views of the member states and the enormous disparity between their systems. One of the Dutch points is that these systems are tending to get more divergent, particularly with the elaboration of cost escalation cover by the British, French and Italians and the Belgian decision to strengthen its rather limited export credit facilities.

The Commission is asking for a mandate embracing a range of interest rates between 7 and 84 per cent, depending on the length of credit and economy of the purchasing country. Previous negotiations have foundered on the failure to agree on interest rates (the Americans tend to prefer high rates for long maturities; the French shorter rates for shorter maturities) and in regulation of the system of mixing export credit with development aid. The Commission is hoping that the French approach to the U.S. indicated some flexibility on these points which may persist into a Community-managed negotiation.

## W. Germany backs Yugoslav road plans

By A. Lebl

BELGRADE, Feb. 9.

THE FEDERAL German Minister of Transport Herr Kurt Geisheidt said at a press conference in Belgrade that his country would support Yugoslav plans for road construction, in order to improve exports of its goods to the near and Middle East.

transit country situated between a scale which would be needed to master the challenge. The World Bank has been helping Yugoslavia for some time, but even that is very little compared to the magnitude of the problem. The Yugoslavs have therefore been looking for other sources of finance while still not abandoning the hope that the World Bank will substantially

undertake road construction on increase its loans.

## CAMPAIGN FINANCING IN THE U.S.

# Fat cats with nine lives

By Gordon L. Weil

THE FAT cats are back. A millionaire political contributor quipped cheerfully after the U.S. Supreme Court poked some huge new loopholes into the campaign reform laws that had been enacted in the wake of the Watergate scandals. But, in reality, even prior to Friday's judgment corporate donors—some of the fattest cats of all—had never gone very far away. They have been much bothered by the campaign financing rules, even before the Supreme Court partly rewrote them last week: in practice, the fat cats had already taken on a new lease of life.

Officers of the Mellon Bank in Pittsburgh, Pennsylvania, opened their mail one morning in December to find a firm, but polite, request for contributions to an innocuous-sounding organisation called the "514 Committee."

The Committee pools all funds donated by officers and from the pool, supports candidates for public office at the federal, state and local level who are supporters of the Mellon Bank and Gulf Oil Corporation. The Mellon Bank and Gulf Oil Corporation, gave Mr. Richard Nixon some \$1m in the 1972 campaign, making Mr. Scalfie the country's second-largest political contributor in that year.

Mr. Herbert Alexander, the Mellon Bank's vice president, explained that the Mellon Bank, has argued that people ought to know "who gives how much to whom for what." When the abuses of the 1972 campaign became known and it was clear that large corporate and industrial interests had given

donations to favoured candidates. For example, Mr. Richard Mellon Scalfie, a leading member of the family that created both the Mellon Bank and Gulf Oil Corporation, gave Mr. Richard Nixon some \$1m in the 1972 campaign, making Mr. Scalfie the country's second-largest political contributor in that year.

Mr. Alexander, the Mellon Bank's vice president, explained that the Mellon Bank, has argued that people ought to know "who gives how much to whom for what." When the abuses of the 1972 campaign became known and it was clear that large corporate and industrial interests had given

official of the Federal Election Commission, the agency created last year to watch for violations of the new laws. "They used to be able to whisper about politics in the board room. Now it's perfectly all right for them to talk about contributions openly."

The Supreme Court decision does not affect corporate donations to political campaigns, but it may result in weakening the Federal Election Commission's ability to ferret out any violations. The ruling allows every body, including corporate officers, to spend unlimited sums on behalf of candidates so long as the funds are not actually controlled by the candidate or his

"The campaign reforms limit to \$5,000 the contribution . . . to a single candidate. But another loophole nullifies this provision."

millions to Nixon in return for favourable Administration decisions, Congress passed a campaign reform law which went as far as to ban individual contributions of more than \$1,000 to any candidate. That was supposed to have killed off the "fat cats." But they have nine lives and are again thriving, thanks to the same Congress that passed what appeared to be the toughest reform law in American history.

Trade unions had been permitted to collect contributions from their members to be used to support political candidates. The amount of money available to the unions has always been a matter of public record because it depended on contributions withheld from the members' pay each week. In 1972, union political spending reached about \$8m. Most of this money went to Democrats and was viewed as a quid pro quo for the unions' support to massive giving by the wealthy to the Republican Party.

When Congress banned gifts from the rich, it decided that equity it must give corporations the rights enjoyed by trade unions. As a result, the large individual contributor was replaced by the corporate Political Action Committee (PAC). It is likely that the corporate PACs will provide the same flow of funds to their political friends as did the "fat cats."

The corporations actually like the new law better than the old one, say a high-ranking

campaign management. This could turn out to be an enormous loophole.

The sponsoring corporations are allowed to cover administrative costs of the PACs, in the same way as unions can pay such expenses for their political committees. But no union will be able to match the \$500,000 of computer services that U.S. Steel plans to make available to its PAC in the guise of administrative support. The computers will be able to handle direct mail and set-out-the-vote operations.

Even more important to the corporations is a recent decision by the Federal Election Commission which allows them to compete with the unions for political contributions. In November, the FEC ruled that Sun Oil could set up a fund called SUN PAC to solicit donations from shareholders and employees. The company itself would appoint the officers of SUN PAC, and they will decide how the funds are distributed. Two of the six members of the FEC dissented. They argued that the law allowed corporations to solicit donations from shareholders only, and unions alone. If the corporation sought contributions from employees, this amounted to soliciting the general public, which is banned by law. The unions cannot seek any funds from shareholders or anybody else, for that reason.

What really worried the dissenters, one of them a former

union official, were abuses when donations were solicited from employees. SUN PAC ruling raised spectre of top management contributions to the use of coercion. Mr. Griebner, in charge of Chamber of Commerce programme to encourage donation of corporate PAC funds, said: "In every case, the corporate people are over backward to make there is no coercion."

The law bans coercive retaliation against employees for contributions to political committees. The FEC says it is likely to be able to the time to time to make pressure is applied. But the personnel to back up the decision. As a result, the FEC officials say, it is investigative press to work with cases. We can't complain."

The campaign reforms gave the contribution PAC to a single candidate another loophole nullified provision. Any organisation may set number of PACs so funds are not filtered through one PAC. The Chamber of Commerce, among the biggest donors, has established national PAC and a PAC for each state. These committees may go up to \$5,000 to each for federal office. Theor the AMA could provide a \$240m, this year alone, it will not approach mark, but the mere possibility that the new will have little meaning.

The FEC is flooded with registrations new PACs. Almost all of PACs say they have decided which candidates back. One Washington expert says that he believes the campaign clearing has already been quietly established and that next summer it will go out to the corporate which candidates to support.

Disillusioned reformers count the old story of the who confronts his Congressmen, "you're down to Washington for now. Just what kind Government have we got? I assure you, my friend have the best Government can buy."

Jeff M. 150



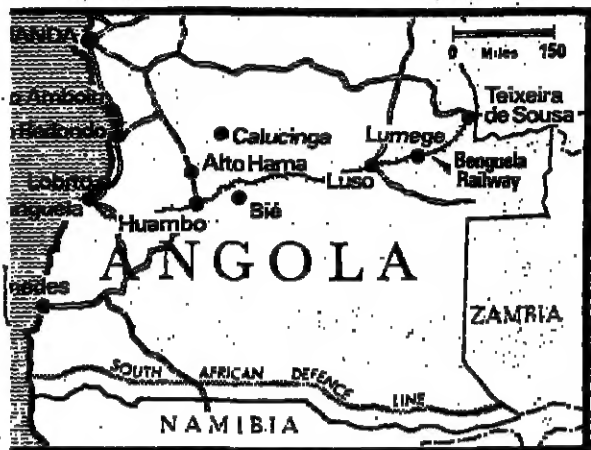
OVERSEAS NEWS

about  
s on sa  
IPLA sets sights on  
nita-held Angola ports

NE BERGEROL

LUANDA, Feb. 9

ING THE taking of side the remaining FNLA forces rees yesterday of the the north. The taking of Huambo by JLA-Unita capital of MPLA forces and their Cuban military spokesman after a Sunday morning was ning slated it would confirmed to-day both in be long before three Kinshasa and Lusaka by Unita targets would in the ngobs have yet made the Angola, and Benguela to-day, but the MPLA is making on the coast. All efforts to call for national unity tically important of their positions along the Luanda Government, now that it the Benguela Railway Luanda Government, now that it the Atlantic. Zaire and he has gained military control of the Umbundu tribe's Unita optimism is proved in the present series National radio broadcasts are ies by the Luanda presenting the MPLA victory as es on there, a black a victory of the Angolan chhood that the FNLA people calling for "patriots" to ces inside Angola will lay down their arms if they were PLA military spokes- revealed that the man as a "North American independence against "South Africa, captured by MPLA. Zairean and European mercenary go is in fact a British Commander Ju-Ju said that the ind may be part of the strategic crossroads of... Alto mercenaries which left Hama, which opens the way to recently to fight along Huambo, had been taken by



Unita admits Huambo fall

LUSANA, Feb. 9

), administrative capital ngolan Unita movement, y to an overwhelming orce, Unita said here. s was announced by Mr. ngumba, "foreign sec of Unita. ngumba told reporters: rnings we received a from the headquarters at Silva Porto that at an overwhelming force troops with supporting of all kinds finally ough the defences of did 6,000 Cubans were in the final attack. They were supported e than 70 armoured including Soviet-built T-34 tanks. There were re than 20 helicopters ith 30 mm cannon and und rockets, he said. ho said the attacking used several Fiat and ts and other conven- rcraft, and a large con- in of medium and heavy including Stalin

bin-Peres quarrel may  
ve been resolved

DANIEL

T between Israeli Prime Yitzhak Rabin and Minister Shimon Peres have been patched up, on the surface. In a to the Knesset this t, the Prime Minister at both the original or arms submitted to the the amended lists had roved both by bin and efence Minister and that more general forecasts and ement during a back- riefing with Israeli com- nts in Washington had intended as criticisms the Defence Minister or nce establishment as a report from Washington ed a "senior source" as hat the lists has been ted, had contained too adgeary and thus had credit to Israel. This Premier was unable to stand up rpreted by correspond- id to press here as a tttack on the Defence Peres. r Rabin, who was repli- motion of no confidence d that the original lists d in 1974 had had to nded in view of the f cost of equipment in changes in the budget priorities so that the request became unrealistic. Some alterations had also been made because of an evaluation that there would be strong opposition to the supply of some items to Israel from the American side. The original lists had been drawn up following the separation of forces agreement with Syria and contained detailed requirements for 1974-79 and more general forecasts and requirements for the subsequent five years. The motion of no confidence moved by the Opposition claimed that the statements made in Washington by the Premier had done unimaginable harm to the cause of Israel and the Government's credibility; that he had failed in distinguishing between internal discussions and harmful statements abroad; that the Premier was unable to stand up to conditions of stress and pressure and was therefore unfit to be Prime Minister at a time when Israel is and will be facing conditions of stress and tension. The last was a clear reference to reports that have circulated for years that Rabin had had a nervous breakdown during the period immediately preceding the six day war when he was Chief of Staff.

hitlam lashes Governor

ENNETH RANDALL

CANBERRA, Feb. 9

ider of the opposition, th Whitlam, tonight des- Governor-General, Sir rr, as a "dishonourable eiful man" who had coup d'etat during Aus- crisis last year, "con- by the chief justice." hitlam made the attack a nationally-televise v — his first major ice since the Labor crushing defeat in the r 13 elections. ew parliament meets for time next week and it ly expected that the pening by the Governor- will be boycotted by Ps and Senators. hitlam admitted that his of Sir John Kerr was "strong words" but the ABC will use e told his interviewer. ey are accurate words." "Sir John deceived me, elved people he had and worked with for here was a coup d'etat aia last year. Australia's the system has been have faults and this has ed our standing in the id the Commonwealth." hitlam said his Labor Party government had suffered electorally because, like other governments, it had been held responsible for worldwide inflation and unemployment. "But we were defeated by the coup," he said, "which cut off our elected term at the half-way point for a second time."

Polisario claim

A spokesman for the Polisario Front, the Saharan independence movement, said in an interview published in Paris yesterday that it controlled all of the Western Sahara, with the exception of four garrison towns. He said that more than 1,000 Moroccans had been killed and 200 taken prisoner in fighting.

Cairo clampdown

The blackmarket shopping area in central Cairo was cordoned off yesterday by police and security men, and 14 shops were closed after checks on the misrepresentation of the origin of goods. The clamp-down and investigations came four days after a man was killed in a dispute over the origin of two shirts, writes Michael Tinsay.

BANGLADESH

Smack of firmer government

BY KEVIN RAFFERTY, RECENTLY IN DACCA

THE POLICEMAN near the agree that the martial law Bangladesh Government central administration, in which Major secretariat, smart in his General Zia ur Rahman is the laundered white uniform, strongman, has given Bangla- peaked cap and shining knee- desh a glimpse of hope which high black boots, flicked out his was lacking in the previous four arm nearly under the nose of years since the creation of the my taxi driver; the machine state. It is a "non-political" rattled and shuddered to a halt. Government, run by a man who Not since the days of the has been used to giving orders and seeing them carried out. Pakistan Army had I seen such a show of discipline in Dacca. Decision making no longer has Other things have changed to run the obstacle race of since the time when Sheikh Mujibur Rahman was in power. when even trivial matters were What impresses the foreign subject to corruption and long observer is often the superficial. delay before the matter came to The cycle rickshaws, one of the the attention of the Sheikh him- Bengalis rich enough to afford self. There is no taint of corrup- tion about General Zia. One of his acquaintances of long years ago the General had bor- rowed the equivalent of £23 for house furnishings which he was still paying off at £1.65 a month; had he been corrupt he could have repaid in a trice in cash or kind, using his privileges as chief of staff.

Harvest

The biggest change is that for showing more favour towards the first time in years there has individual initiative and private been a bumper harvest. Grain enterprise. His Government has depots are brimming over, promised to pay compensation to the owners of industries farmers are discussing whether Sheikh Mujib nationalised. It to bother to plant the next crop, has raised the ceiling on private In the towns rice prices have sector investment from come down, and I noticed that take 30m. (about £266,000) to even some equator families had take 100m. It has thrown a num- some food to put into their ber of activities previously limited to the public sector The new Government can open to private businessmen. It hardly claim credit for the has revised the labour laws to weather, but most observers cut out abuses.

In addition, General Zia him- self has promoted a family plan- ning campaigns throughout Ban- ladesh though experts still ex- pect the population to double to 150m. on a land area the size of England and Wales by the turn of the century. The bureaucracy has been thoroughly shaken up in an attempt to improve its efficiency and ability to take decisions. As an extra toning up measure, as it was put to me, civil servants have to be at their desks by 7.30 a.m., not 10 a.m. as previously.

Changes

So much has changed since October in Bangladesh that some people are beginning to make comparisons with Pakistan. In 1958 when General Ayub Khan took over to clean up the mess that corrupt politicians had made. The comparison is a tempting one, but there are big differences, quite apart from the fact that General Ayub later provoked a costly war with India in 1965 and built up a greedy and not inconvertible military machine. For all his admirable qualities, General Zia has not had the ex- perience of administration or policymaking that General Ayub had had in 1958. Politically he has worked hard to secure a stable base for the Government. The most obvious potential source of opposition is in the army, and there was at least one challenge to General Zia's authority on December 23, when he tried to banish the tanks that had stood around Dacca since

their use in the coup in August had sealed the overthrow of Sheikh Mujib. But General Zia was successful, and to-day most of the tanks are at Bogra, 100 miles and several river crossings away from Dacca. Bengalis thought that the Jawsans, the ordinary soldiers who tasted power when they intervened to put General Zia back in the saddle in November, would cause problems, but he has asserted his dignity and the need for discipline. Members of the JSD (National Socialist Party) and others advocating a "people's army" have been rounded up. Some senior officers have been retired and others shuffled to new posts. General Zia has tried to head off troubles from students with a series of raids to round up people who should not be in the Dacca campus, and with promises of more money for the university. The authorities will not divulge how many people are in prison, but say it is far fewer than the figure of 62,000 bandied around Dacca. The Government says it is releasing prisoners previously detained for political reasons and has already set free "thousands."

Law and order

In the circumstances General Zia may find it easier and in the short term better for Bangladesh to retain power, though that would almost certainly meet with opposition from his family who are quick to remind him that he is only a bullet away from death. The new Bangladesh Government still has a lot to do. Practically everyone I met praised the improvement in law and order and the measures to stamp out corruption. Yet in Dacca I chanced to meet a British volun- teer who had come down to Chittagong port to watch the safe delivery of £20,000 worth of machinery. When he arrived he was told that three of the 73 crates appeared to have been mislaid. Only when he went round him- self with them were the three "missing" crates discovered out of sight but not too far away from the main stack of 20.

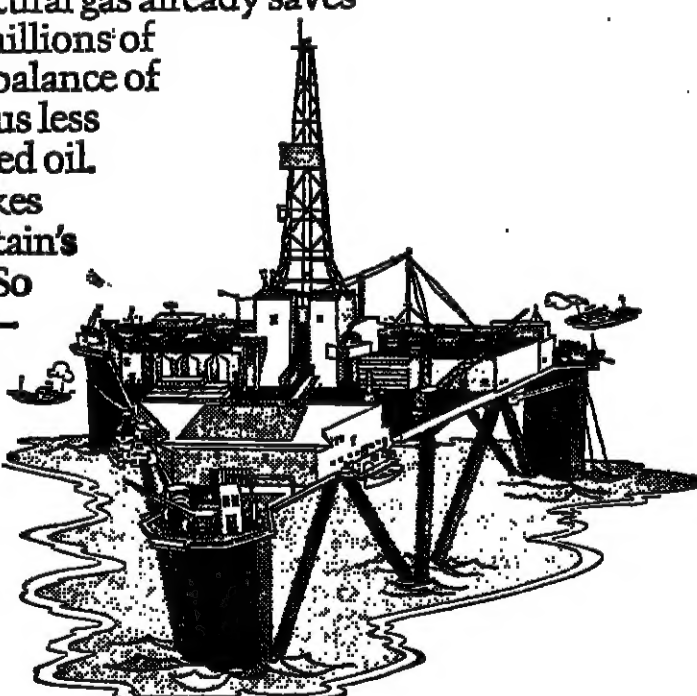


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- 2 Turn your thermostat down a degree or two
- 3 Turn off unnecessary radiators
- 4 Insulate your roof space and hot water system
- 5 Have your gas equipment properly maintained and serviced
- 6 Ask at your local showroom for further information about how to save gas—and save money



BRITISH GAS







## EUROPEAN NEWS

Soviet conspiracy  
trial begins  
Belgrade

AUL LENDVAI

VIENNA, Feb. 9.

IST of a series of major trials of pro-Soviet conspirators in the Bosnian city of Banja Luka are expected also to begin in the near future. All these groups are popularly called "Cominformists." As the Cominform was the name of the International Communist Organisation set up by Stalin after the Second World War from which the Yugoslav Party was excommunicated in 1948 (the organisation was dissolved in 1956), the term is used as an indirect but clear reference to pro-Soviet elements. Similarly the expression "foreign supporters" in these cases always means the Soviet Union and other bloc countries.

Leading Yugoslav officials reportedly refer to the subversive activities of "Cominformist exiles" but stopped short of directly accusing the Soviet Union or other East European countries. Nevertheless, the secret trial in Belgrade must be regarded as an unequivocal warning to Moscow that the Yugoslavs are treating the pro-Soviet elements as traitors and that they are ready to demand their independence.

Meanwhile, during the weekend, 19 Albanians accused of irredentist activities in the province of Kosovo, which has a mixed population, were sentenced to prison terms ranging from 15 years to 15 years. They were accused of separatist activities aimed at splitting the province, together with parts of Macedonia and Montenegro, from the Yugoslav federation. The trial has subjected Albanian-Yugoslav relations to renewed strains.

help

ally they inquired the Soviet Union would intervene by force to help a group of "refugees" ask for Soviet aid. President Tito's from the political is understood that only defendants, a certain Radulovic, who acted as a juror of the group on the Soviet bloc in 1968, 3, confessed to be "guilty." The trial is aimed at spitting the province, together with parts of Macedonia and Montenegro, from the Yugoslav federation. The trial has subjected Albanian-Yugoslav relations to renewed strains.

## Romanian orthodoxy

AUL LENDVAI

VIENNA, Feb. 9.

important address to the fully share the Soviet point of view. The Romanian leader stressed that revolutionary changes would be undertaken without a "uniform planned direction" of society since otherwise reactionary forces in the name of a so-called "pure democracy" would only sabotage the building of a new society.

The Romanian leader also pointed out that his regime will never endanger the revolutionary achievements by neglecting its obligations towards the interests of the working class. This means in fact that the Romanian regime, faced with growing economic strains and dissatisfaction, is not willing to relax central control over the Romanian leaders' political life.

Waldheim  
sees Cyprus  
talks delay

UNITED NATIONS Secretary-General Dr. Kurt Waldheim

warned in Canberra yesterday that the next round of the Cyprus negotiations, due to open in Vienna next Monday, could be delayed by difficulties in framing an agenda, writes Kenneth Randall.

"I hope, but cannot guarantee that the meeting will open on time," he said at a National Press Club meeting. Waldheim will fly to Europe from Manila for the meeting later this week, after his brief tour of Pacific countries. He said that the problems being encountered were "very complex."

## Soviet Jews

The number of Soviet Jews emigrating to the U.S. dropped from 822 in 1974 to 585 in 1975, according to figures released by the American Embassy in Moscow yesterday. The 6 per cent drop was in line with official Soviet claims of a smaller exodus of Jews to Israel last year.

## German living costs

The West German cost of living index rose 0.8 per cent in January from December to stand 8.3 per cent above January 1975, the Federal Statistics Office in Wiesbaden said, Reuters reports.

## Iron, steel output

West German crude steel and pig iron output in January rose from December but remained below year-earlier levels, the Federal Statistics Office in Wiesbaden said yesterday. Crude steel production on January was 3,250, tons, against 2,870 in December and 4,100 a year earlier, AP-DJ reports.

## Italian production

Italy's industrial production index, base 1970, fell in December to 102.9 from 109.3 in November, but was 0.6 per cent above December, 1974, according to provisional figures from the Central Statistical Institute (Istat), Reuters reports.

## Arms cut call

A three-day meeting of European centre and agrarian parties ended in Helsinki with a call for cuts in European armed forces and a nuclear weapons ban, Reuters reports. The meeting, hosted by the Finnish Centre Party, and attended by 53 delegations from 22 European countries, stated its full support for the principles laid down at the European Security Conference

## BONN'S POLITICAL PARTIES

## On an unstable see-saw

BY NICHOLAS COLCHESTER, BONN CORRESPONDENT

THE GOVERNMENT of one of the West German Federal states falls because, in circumstances of some intrigue, the succession of a new state Prime Minister misfires. This is the basic story of recent events in Lower Saxony. At first glance, it does not have the look of a major political development. Yet for three reasons it has shaken this election year to life—because the German political scene is otherwise unexciting, because the balance of political power in Bonn is fine, and because the upset is a bolt from the blue—something which German politics has lacked since Willy Brandt resigned as Chancellor almost two years ago.

German politics are unexciting at the moment because they are almost devoid of ideological conflict. The conservative opposition, the Christian Democrats, sit a stone's throw away from an overall majority and have no idea how to reach it. They are bemused because the governing coalition of Social Democrats and Free Democrats is pursuing a fair approximation of the CDU's own policies. Although the task of opposition is to oppose, the CDU have found out to their cost how irresponsible it looks to oppose a system which works with which they agree, and which, indeed they established in the first place.

It is because Bonn politics consist of an intricate dance around the centre that the outside observer is left unexcited and mystified. Where are the primordial political forces propelling Germany towards some new catastrophe? If they exist at all they are not identifiable in conventional political terms. On the Right, the Nationalist Party has made no headway in a period of high unemployment,

nor has the Communist Party. Judging from the outcome of state elections and from the political tone in the universities the result of the recession has been a migration towards the centre. The result is like a see-saw with its entire crew gathered at the fulcrum—oppressive and unstable in a very frightening way.

Until the events in Lower Saxony, there was a growing atmosphere of resignation in the CDU camp. The Free Democrats, the liberal Party headed by the Foreign Minister, Hans-Dietrich Genscher, had made it clear that they intended to remain in coalition with the Social Democrats.

Events in Lower Saxony have  
roused German politics in an  
election year

task of forming a Government on the strength of a turnout vote. Both sides of the local FDP-SPD coalition refused to re-align, so after three weeks the vote for Prime Minister was repeated.

To prevent a repeat of the embarrassment, the Bonn coalition sent down the Minister of Housing, Karl Ravens, as their candidate. Last Friday, the vote was held again and to the coalition's dismay confirmed the CDU candidate as State Prime Minister. In the course of the secret ballot two coalition members had voted against their own candidate. Given this double rebuff the coalition conceded that it must dissolve itself and subject to tricky negotiation, a CDU-FDP Free Democrats, was that the upset would have "no effect on

the co-operation of the coalition in Bonn." Helmut Schmidt gave the same assurance, but from a weaker position. Were this the decade of the sixties when different combinations of coalition in the state Parliaments were not abnormal, it would be easier to believe them. But the Bonn coalition's ability to govern is inescapably affected because the ascendancy of the CDU in Lower Saxony gives the opposition a big majority in the Upper House of the German Parliament. Moreover, this Upper House must shortly vote on the Polish agreement, a piece of foreign policy of emotional importance.

For five years, the relations between West Germany and neighbouring Poland have been bedevilled by argument over the repatriation of ethnic Germans stranded in Poland by the shift of central theme of the early stages of the election campaign. Both parties have called meetings of their top leadership to discuss the matter. The Free Democrats, whose continued influence lies in coalition with somebody, must consider the fact that a revolt—widely considered to be from within the FDP's ranks—has given the CDU its first tangible gain since 1969.

The effect of the upset in Hannover has been to shift the big question of this election year away from "the battle of the two Helmut"—Helmut Schmidt and Helmut Kohl—and back to the cohesion of the coalition which Helmut Schmidt leads. The coalition has cracked in an area where SPD and FDP were particularly incompatible, and cracked in a way which directly reduces its national ability to govern. This is a situation which the Christian Democrats have to exploit.

## Irish government rejects two-tier management boards

BY GILES MERRITT

DUBLIN, Feb. 9.

THE IRISH Government has rejected a trade union call for two-tier management boards on the grounds that it would delay worker participation in industry "until the early 1980s."

The two-tier system was proposed only last week by the powerful Irish Congress of Trade Unions, which groups over 80 unions here, as "essential for industrial democracy." The ICTU urged that the seven Irish semi-state organisations selected last year as guinea-pigs for worker participation should be controlled by a supervisory board, as well as a management

board, rather than by the single board manned one-third by elected workers that was originally decided.

Defending his decision to enlarge the semi-state bodies to include worker-directors, while rejecting the two-tier system, Labour Minister Mr. Michael O'Leary stated: "The single board system offers the speediest implementation of worker participation having regard to our business and industrial structure."

He also explained that he believed there was "no difference of principle" between the

ICTU proposals and his own, that they now consider unsatisfactory and imposed.

Mr. O'Leary has pointed out that the single-tier system announced seven months ago, and since outlined in a White Paper, now requires the "endorsement of the workers' representatives. Although the system originally applied to the ICTU, which had itself called for such a scheme back in 1968, it now seems likely that it will withhold its backing, if only as a mark of its more general dissatisfaction with the Government's economic policies. It is also known that the

unions have since become aware that the Government's single-tier proposals are, for the time being at any rate, somewhat limited in scope. While the seven public sector companies selected for the private scheme range from Aer Lingus to the ESB electricity board, and affect 60,000 workers, the extent of participation is not great.

The new worker-directors, when will be elected under proportional representation, will have their powers restricted to veto or approval of executive decisions that will remain firmly in the hands of the existing management

# "We'd like to think that more people fly TWA across the Atlantic because we're terrific."

The in-flight crew (right) may have something.  
But of course everyone has their own idea.

Bill Slattery, vice president of schedules, believes TWA's 187 departures every week from Europe, to Africa and the Middle East to a total of 35 cities in America have more bearing on the subject.

Harriet Korn, director of in-flight, puts up an resting case for the choice of 2 films and 8 tracks of international audio on every Trans World Service flight.

Dieter Buehler, head of dining, says that the choice of meals in Economy and 5 in First Class is a much more satisfying reason.

Jules Rondepierre, interior designer, suggests that TWA's wide, body-contoured seats in 747's are more the point.

Andrée Picq, ground hostess, offers the unique position of TWA's exclusive New York terminal.

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## HOME NEWS

# Bright forecast for U.K. economy as oil flows

OUR ECONOMICS STAFF

SEA oil could transform the U.K. economy into one of high growth and sustained growth, according to a firm of independent economic forecasters. Economic Model Group, a firm of independent economic forecasters, is optimistic that the U.K. economy will be given an opportunity to arrest its cumulative decline and begin the process of long-term recovery.

## Oil about to flow from Auk Field

RAY DAFTER, ENERGY CORRESPONDENT

ESSEX's Auk Field, the first of a series of oil fields in the North Sea, is expected to start producing oil in the next few weeks. The field, which is owned by the British Petroleum Group, is located in the North Sea, about 100 miles off the east coast of Scotland. The field is expected to produce about 100,000 barrels of oil per day. The first oil is expected to flow from the field in the next few weeks. The field is expected to produce about 100,000 barrels of oil per day. The first oil is expected to flow from the field in the next few weeks.

# Shell lifts price of chemicals by 8.4%

BY RAY DAFTER

SHELL CHEMICALS U.K. is putting up the price of 60 products by an average of 8.4 per cent. The increase, which will range from 5 to 15 per cent, should boost Shell's annual U.K. chemicals turnover by about £12m. Last year, Shell Chemicals sold £250m-worth of chemicals, some £160m of which went to the domestic market. The price adjustment, justified under the allowable cost heading, covers a range of products in five major sectors: agricultural chemicals, plastics, resins, solvents and industrial chemicals. Shell has been increasing prices about every three months during the past year. The last increase, approved on October 29, increased U.K. turnover by about £8m a year.

The group said that it hoped it would be able to pass on the full extent of the approved increase. Demand was improving in all sectors of the market. In 1974 Shell also made a loss on its German oil business, although Deutsche Shell returned a net profit of DM136.7m, due solely to extraordinary earnings. Shell France reported a net turnover of Frs10.1bn last year as against Frs5.043bn in 1974. Shell's French chemical interest, Shell Chimie, had a net turnover of Frs1.2bn—a drop of 19 per cent.

The French group said it completed four oil wells in France last year. It also had a small stake in the Mer d'Iroise consortium, which recently found traces of oil in the first Lennet well, off the coast of Brittany. Oil refined by Shell France last year totalled 18.3m tonnes against 21.7m tonnes in 1974, while the amount of oil sold declined from 20.1m tonnes to 17.3m tonnes.

# Atlantic air traffic down 5%

By Our Aerospace Correspondent

PASSENGER TRAFFIC on the North Atlantic air route in the first 11 months of last year fell by 5 per cent, to just over 8.4m, according to the International Air Transport Association. Of this figure, 8.2m were scheduled passengers, a fall of 6.8 per cent on the previous year, while the rest, more than 1.2m, were charter passengers carried by the IATA airlines, 9.3 per cent more than in the previous year.

The rise in the charter figure reflects the increasing efforts made by the scheduled airlines to combat independent competition by running their own charter activities. The total number of flights performed by the IATA airlines fell by 6.7 per cent, to 75,200, of which 56,803 were scheduled passenger operations, down 7.9 per cent; 10,977 were scheduled cargo flights down 6.1 per cent, and the rest charter operations, up 1.8 per cent.

On scheduled passenger services, despite efforts to restrict capacity, the 20 airlines involved collectively offered more than 14.3m seats, which was 5.3 per cent fewer than in the previous year. Even so, it was still far too many, with the result that the overall load factor slipped back a little to 57.6 per cent.

# BCAL and British Airways clash over cheaper fare

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH Airways has launched a bitter attack on the Government's decision to give British Caledonian Airways a cheaper fare for domestic air services between London and Glasgow—£21 single in the off-peak periods from Gatwick, against the £23 that BA must charge at all times from Heathrow.

Yesterday, BA put up posters in its Terminal One Shuttle departure point saying "To-day your fare is £1 higher. This is not of our choosing." Leaflets were also issued to passengers explaining the background to the Civil Aviation Authority's decision, now backed by the Government, to raise the BA Shuttle single fare to £23. The leaflets said: "Last year, British Airways and BCAL faced a common challenge of increasing costs on the domestic routes. They responded differently. BCAL reduced services on Glasgow and Edinburgh. They pulled out of Belfast completely. BA introduced a Shuttle. BCAL business continued to fall—ours rose, because we were giving you the service you wanted."

BCAL asked the CAA to make us reduce our duties, which we resisted. They then asked the CAA to force us to charge £2 more on the Glasgow Shuttle. This was refused. "Now BCAL have persuaded the CAA to force us to charge you more than we think is necessary, so that our competitor can charge less on off-peak flights to and from Gatwick. BCAL yesterday responded to the BA attack by pointing out that BA "on their own admission are using millions of pounds of taxpayers' money on domestic air services. "They now appear to be questioning the Parliamentary policies on nationalised corporations which requires at least the recovery of losses."

Switch to new Paris airport. AIR FRANCE will also concentrate its U.K.-Paris services at Charles de Gaulle. The two airlines say that this will enable them to exploit the full potentialities of the wide-bodied Airbus and TriStar jets which they now use.

# 10 ways to boost your company's investment plans—now

More Home News, Page 31

## Northern Developments negotiations adjourned

THE COMPULSORY up of two companies in Northern Developments are adjourned by consent until 8 in the High Court on yesterday. Justice Brightman was told bank receiver appointed Northern Developments (a) would be putting proposals to the group's shareholders on March 2. The judge said the holding company by Mr. Thomas, of Deacons Trustees, is based on a statutory for £2,064, supported by the Department of Health and Social Security, £4,362, and has House Trusts claiming £1,117,478. A move by other creditors to formally join those opposing the Deacons petition was similarly adjourned.

## Building output 'will fall rather 2% this year'

MICHAEL CASSELL, BUILDING CORRESPONDENT

THE 2 per cent decline in output this year, forecast by the National Institute of Building Materials, is in line with other recent forecasts and is expected to be reduced by the building, engineering and construction industries. The forecast is based on a survey of 100 building, engineering and construction firms, which all provide a picture about the industry which seems certain to be one of the worst in the industry has ever seen. The forecast is based on a survey of 100 building, engineering and construction firms, which all provide a picture about the industry which seems certain to be one of the worst in the industry has ever seen.

## p-fryer 'may be unsafe'

THE BARLING

CONSUMER PRODUCTS gave a warning that its products, a domestic deep-fryer, could be electrically unsafe and owners to return them to its company stressed that it is the latest model, sold in the last few months, which could be dangerous. It is a model number 1000, which has been distributed to retailers, but has not yet been sold. The company said a previous model (number 7487) which is a colour, is safe in all respects. The company said the fryer is safe in all respects. The company said the fryer is safe in all respects.

## Teachers' trip

THE INSTITUTE OF SCOTLAND

of Scotland, the largest teachers' union, is planning a trip to the Scottish Highlands on March 15. They will also discuss educational problems and the effect of devolution on education.

## Continental Who Owns Whom 1976

THE NEW edition of Who Owns Whom (Continental) listing more than 100,000 parent, subsidiary and associate companies throughout Continental Europe with sections on Austria, France, Belgium, Luxembourg, Italy, Switzerland, Germany, Denmark, Finland, Norway, Sweden, Holland, Spain and Portugal has now been published. Two lists are given in each country section. The first shows parent companies, with trade descriptions and full addresses, and their domestic and foreign subsidiaries and associates. The second list is an alphabetical index of subsidiary and associate companies, indicating parent companies. In the new edition, the Danish, Finnish, Swedish and Norwegian sections have greatly expanded. Companies and often confusing devices such as acronymic titles and bilingual registration are clearly explained. A special third part has been added to the French section giving the full titles of about 4,000 companies frequently referred to in acronymic form. Who Owns Whom (Continental), Roskill, £39.50.

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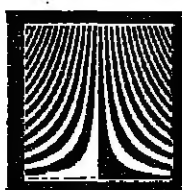


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FT10/2G

The Areas for Expansion





# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## COMMUNICATIONS

### Sees the weather a day ahead

A SYSTEM which can monitor the movement of local weather a day away and transmit the approaching picture cheaply over the phone line, has been developed by Muirhead of Canada and is to be marketed by its British parent throughout the world.

Claimed as a major meteorological breakthrough the equipment maps out the approaching weather as seen by outlying radar stations. Rain information is given in shades of grey.

The Canadian Government think this low cost "weather-eye" which works off the sweep of a radar, is good enough for meteorological bureaux in Ottawa, London, Quebec, Vancouver and

St. John's to use. They have taken delivery of the initial production run under a contract worth \$200,000 approximately.

MS 800 Radar Remote Monitoring System transmits its information over a normal telephone line from radar sites near small towns and outstations where a sophisticated computer link would be uneconomic.

At \$40,000 a unit, it embodies both television screen and facsimile and makes wide use of Canada's existing 8200 advanced weather radar network.

In the near future, this type of forecasting could appear on some television channels. Precipitation is signalled to a remote facsimile machine which produces a printout in under

150 seconds and gives rain information in four scaled shades of grey.

Forecasters will be able to use this new, already accepted, tool to check their predictions and take into account up-to-the-minute weather conditions 100 miles or sometimes the equivalent of 20 hours away.

A similar weather system to that accepted by the Canadian Government has been demonstrated to the British Meteorological Office which is considering setting up a network of 12 radar sites to give good coverage of the British Isles. Muirhead's Weatherfax machines are already used exclusively by the Meteorological Office.

Muirhead is on 01-650 4988.

## CONSTRUCTION

### European first in drilling

DRILLMASTER A120W hydraulic rotary drill—designed and manufactured by Hands-England Drilling, Letchworth, Herts—currently drilling for water in Libya, is believed to be the first drill designed and manufactured in Europe specifically for foam flush drilling.

This technique is a low velocity, low solids system of air flush drilling in which a foam mixture is injected into the air stream supplied via low volume/high pressure compressor. The resulting foam—which resembles aerosol shaving cream—has a very high cutting lifting capacity while low velocity causes minimum damage to the hole wall.

The addition of low molecular weight polymers in the foam mixture also enable it to lift considerable quantities of ground water from horizons being drilled through.

Both the foam and the polymers are biodegradable making them safe for use in water well drilling. Hands-England is on 045-36 3777.

### Meters polyester grout

BY SEPARATELY yet simultaneously pumping polyester resin and hardener the cost of resin grouting bolts and anchorages into concrete and rock can be reduced according to Chemical Building Products, which has developed an air-driven twin-line

metering pump for this purpose. The positive displacement pump has been designed to operate up to heads of 12 metres, delivering precise quantities of resin and hardener via a "double-barrelled" injection lance.

Bulk materials can be used enabling contractors to fix long deep anchorages at far lower cost than is currently possible, says the company. The integral metering device will make further savings possible by eliminating the chance of oversights.

Unused materials can be left in the hoses after work has been completed. The pump will work efficiently with resin systems with a gel time as low as four minutes.

Weighing about 120 kg, the pump can be handled by two men and requires an air supply of 300 litres/min. at 0.7 N/sq. mm. Metered quantities of resin and hardener can be placed at a rate of three to four litres/min. in holes of 28 mm. diameter and above.

The maker is at Cleveland Road, Hemel Hempstead, Herts, HP2 7DL (0442 2101).

### Planners to see effects of decisions

TO ASSIST in the formulation and evaluation of development strategies for new towns and similar forms of land use a computer model has been produced by the GLC architects department and the Abacus computer unit at the University of Strathclyde. The model was developed and is being run on the CSS International computer timesharing network.

Although intended initially for use with the Thamesmead project, the system, known as

LUMPS (Land Use Master Plan Subsystem), has been designed for general application, and requires almost no knowledge of computing to operate. In addition to providing printed output, it makes use of visual display terminals to show the planner the effect of his decisions in graphic form.

The planning of a development such as Thamesmead involves decisions on a large number of factors, such as housing density, number of families to a dwelling, distribution of open space, educational and other facilities, the volume and flow of traffic, and the cost and programming of development alternatives. Nearly all these factors are interrelated, so that a change to one affects the whole pattern of the development.

Using a computer at the planning stage allows a range of possible permutations to be studied, and the results to be stored conveniently for subsequent retrieval.

The office in Dubai, United Arab Emirates, is known as White, Young and Partners, and has received a decree from the Ruler, officially naming the practice as a local Dubai firm. Mr. David Dingwall is the Resident Partner in charge and is also responsible for the firm's Sharjah office.

The other new office, in Tunis, is known as White, Young and Partners, North Africa.

### Timber clad made to measure

ARCHITECTS and other specifiers may select from a range of decorative English and imported

## OFFICE EQUIPMENT

### Punches and binds

BUSINESS AIDS is marketing the Duo Electric which it claims is the first machine to combine document punching and binding in one unit using the plastic comb system. There are seven settings, for

wood claddings and have them manufactured to their needs.

"Profile" series, offered by timber specialists, Henry Venables (Castlemead, Sawmills, Stafford) is a range of 20 profiled claddings in solid timber based on squares, angles, circles, and standard flat shapes. The range includes profiles which offer acoustic qualities with high sound absorption coefficients over a broad frequency spectrum.

The decision to offer the facility follows research among architects and in the construction industry, acoustic research at the University of Salford and experience gained from the company's early claddings used in such locations as the Shakespeare Centre, Stratford; Wolfson College, Oxford; Victoria Law Courts Birmingham; York Sports Centre and Charterhouse School, Godalming.

The boards can be pre-finished to a Class 1 "Surface spread of flame" rating and are produced from selected logs, sawn and kilned to a pre-determined moisture content and machined to give a finish ready for fixing with tongue and groove for secret nailing. A sculptured appearance is produced which brings a high aesthetic quality to applications, which include wall and ceiling paneling, floor panels, bar and counter fronts, paneling under canopies and covered ways.

It can be used in conjunction with matched veneered panels and flooring strips, the latter supplied in eight timbers.

Henry Venables is on Stafford 51162.

## Consultancy expanding

WHITE, Young and Partners, consulting civil, structural and mechanical engineers, has opened two further offices overseas to deal with current and future developments in the respective areas.

The office in Dubai, United Arab Emirates, is known as White, Young and Partners, and has received a decree from the Ruler, officially naming the practice as a local Dubai firm. Mr. David Dingwall is the Resident Partner in charge and is also responsible for the firm's Sharjah office.

The other new office, in Tunis, is known as White, Young and Partners, North Africa.

binding documents up to 13 inches long and two inches thick. A control is first set for punching, when the machine will take the punched papers and place them into a time plus board covers. When all the sets have been punched, the control is set for binding, when pressure on a pedal opens the comb so that the punched papers may be placed over the spine.

The company is at 3 Whitby Avenue, London NW10 7SQ (01-965 9821).

## POWER

### Energy from low head waters

TECHNICAL difficulties with seals have until now prevented the use of straight flow water turbines with a diameter greater than two metres.

This type of turbine was first proposed in 1919 to be used to produce electricity from rivers and tidal waters. Until the 1940s little was done with the design, when some were built by the Germans and installed to produce power from rivers. Since the end of the war some 70 of a small diameter version of this turbine have been installed on the Continent, operating with few problems except for seal replacement every five or six years.

Now Escher Wyss, of Zurich (member of the Sulzer Group), claims it has solved the rim seal problem and has developed an adjustable runner blades (variable pitch) to maintain

efficiency under variable head conditions.

Called the Straflo turbine, the company says it will operate at low heads of up to 40 metres, and can be developed to diameters of some 10 metres. It is considered that this should make possible the economic utilisation of river and tidal power.

In contrast to conventional bulb turbines (enclosed generator immersed with the turbine on the same shaft), the Straflo is more compact, which should result in savings in civil engineering. The generator is arranged as a rim around the turbine runner—which is where the vital rim-seals isolate the generator from the water. The turbine can be reversed and tied as a pump to regenerate the head in off-peak periods.

Manufacture of the turbine will be under licence from the Straflo Group. This has been formed by Escher Wyss in conjunction with an international consortium arranged by Mr. Edmund L. de Rothschild. The Group's U.K. office is at New Court, St. Swinburn's Lane, London EC4P 4DU.

Initial reaction to the development is cautious—since no straight flow turbines have been built with diameters larger than about 2 metres, the problem involved in constructing 10 metre diameter versions will need considerable investigation. In particular, the relationship of this type and size of turbine which would probably produce 3 or 9 MW, to the electrical requirements of a specific application, and the design and construction of the generator involved, may pose problems.

The Straflo Group envisage applications in tidal barrages, for example in the Bay of Fundy, where there is a tidal rise of about 11 metres, and the economic possibilities for a 2176 MW scheme are under consideration. Among the problems in this type of scheme would be lunar variations in the tidal power available.

On this basis the likely first application would be as a river based scheme using one or two of these turbines and providing an opportunity of assessing the problems and costs.

## TRANSPORT

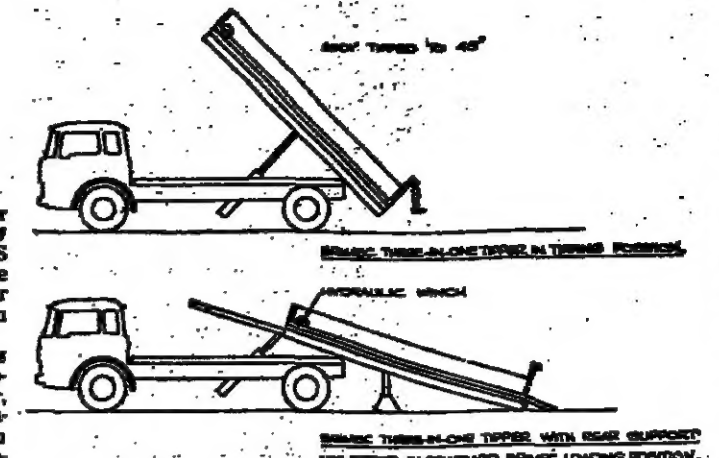
### Soft nose for speed and safety

ALTHOUGH intended more for the rally enthusiast than the City executive, the Ford Escort RS 2000 incorporates a feature which should appeal to every car owner—it is the first European car to have a "soft nose".

Its streamlined front end is made from a new flexible micro-cellular polyurethane elastomer, known as Bayflex 101. The concept is a progression from energy absorbing bumpers capable of taking low-speed collisions without damage. It can be styled, can include standard equipment (lights, number plate, etc.) and can be painted to match or contrast with the rest of the body. Drag has been reduced by 16 per cent compared with a standard Escort.

The soft front end of the RS 2000 is produced for Ford by Phoenix Gummierwerke AG, using a process developed by Bayer. It has liquid components—a polyol blend and a modified isocyanate. These are metered, mixed and injected at high speed into a mould producing a polymer which is compacted on the mould wall to form a solid polyurethane skin up to 2 mm thick, which is stated to be tough and abrasion resistant.

The one piece front end moulding will deflect on impact and then return to its original shape. The company says the nose can be deformed any number of times. It is lightweight and



These diagrams illustrate how the Brimac three-in-one tipper works. Designed to fit a wide range of lorries, it combines three separate functions—as a tipper, as a loader, and as a crane.

The equipment is built by Brimac Metal Contracts, Chapel Lane, Bristol BS5 7TL (0272 651204), which claims that users could save up to 25,000 in capital equipment, as well as cutting motor tax, insurance, fuel and wage bills, by reducing the number of specialised vehicle bodies required. It has been estimated that tipper may stand idle for 50 per cent of their working life. This equipment is fitted on a standard vehicle chassis; it can be tilted by hydraulic rams to 45 degrees when used as a tipper with a support leg fitted to the base of the body slightly and the platform slides down to form a low loading ramp. A hydraulic winch is fitted to haul plant up the ramp. Finally it can be used as a standard lorry platform.

retains its characteristics in temperatures from -20 to +50 degrees C.

In the U.S., where Bayflex has been used in 1975 models from Oldsmobile, Chevrolet and Buick, production economies have been achieved. This is because the reaction injection

moulding technique is a short cycle, self-heating chemical process using less energy and simpler equipment than is needed for the conventional engineering materials.

Bayer's U.K. office is at Bayer House, Paradise Road, Richmond, Surrey (01-940 8157).

## DATA PROCESSING

### More data on DRIS discs

INCREASED data storage and faster data throughput are features of a new series of moving-head disc drives announced by Data Recording Instrument Company, British-owned manufacturer of computer peripherals.

Initially there are three models in the new Series 3200 range which uses recording media of the front-loading cartridge-disc type. The Series 3200 provides on-line capacity as high as 12 Megabytes per drive.

This is four times the storage capability, with twice the transfer rate, of the most powerful Series 30, which is generally acknowledged to have gained the largest volume sales among cartridge disc drives supplied to the OEM market.

The introduction of the Series 3200 is the result of a development programme by Data Recording Instrument Company (DRIS) to enhance the Series 30 and thus provide greater flexibility for small-systems users. It means that this U.K. peripherals manufacturer can now

offer a product family covering logical steps in data storage between 1.5 and 12 Megabytes on single disc, in a compact unit for desk top use or 19-inch rack mounting.

DRIS is at Hawthorne Road, Staines, Middlesex TW18 9BJ Staines 51388.

### Molecular work in Belgium

BUSINESS Computers (Systems) has signed a software contract with the De Keyser Thornton Group of Companies, Antwerp, Belgium.

It is to supply bespoke software for the general accounts, shipping and forwarding functions of DKT who are one of the larger software users in Europe. This software which will be written by a BCL software team at the Brighton headquarters, will be run on DKT's installation in Antwerp which has two tape/disc BCL Molecular 15M (E)2's.

The value of the contract is in excess of £50,000 and represents a major software breakthrough for BCL in Belgium where there are some 14 other Molecular users.

## PROCESSES

### Puts foil on plastic strip

ROLLER type hot foil marking machine with applications in a number of industries has been put on the market by The Standard Engineering Company, Brimley Road, Leicester (0533 59842).

The top roller of a pair is electrically heated internally to a controlled temperature and the bottom roller is knurled to ensure a regular and even feed of the moulding. Foil is passed between the top roller and the moulding; take-up is on a third roller controlled by a belt-driven shipping clutch arranged to operate at the speed of the other two.

The first machine is operating at furniture manufacturers T and F Hammond of Nuneaton where two strips of pre-moulded decorative plastic beading are fed in at the same time and gliding is being achieved at 60,000 feet/min, operating the machine at only two or three days a week.

Fact: Everything connected with working with asbestos is clearly documented both in legislation and in the literature, firms and posters issued by the asbestos industry.

The final fact is, you can't afford to ignore it. Please send in the coupon today.

standard of workshop hygiene using vacuum cleaners and controlled disposal of waste.

Fact: Every firm connected with working with asbestos is clearly documented both in legislation and in the literature, firms and posters issued by the asbestos industry.

The final fact is, you can't afford to ignore it. Please send in the coupon today.

fact: Asbestos is the only natural non-combustible fibre known to man.

fact: This plus many other properties make it indispensable in a vast number of applications. Without asbestos in brake linings, cars could not stop safely. Without it in buildings, the fire brigade would not gain those vital few minutes that could be the difference between a life saved and a life lost.

fact: There need be no risk involved in working with asbestos so long as the simple, established safety precautions are followed. These include the use of dust extraction equipment, respirators and protective clothing in certain cases and a good

## LAIN LOCAL OR NATIONAL CONSTRUCTION SERVICE

## ELECTRONICS

### Lights up in three colours

ONE, two and three colour based on light emitting have been put on the market by Priory Park, Ulverston, Cumbria (0529 52621).

Single lamps are available in green, amber or red and three colour lamp tively change colour as to which lamp is energised.

Styles are supplied shrouded or domed lens, sealed units, the lamp incorporate the company's "lock" principle with a bush for rapid assembly or 7.14 mm holes in d chassis without risk of d

The range includes sealings for applications protection against gas and liquid ingress. ing voltages are 1.7 (r (green) and 2.5 (amber) currents taken are 20, 40 mA respectively.

Converts frequency to current

OF interest to instrument and control engineers is electronic module for Dickens which will accept frequency dependent signal devices such as a thermistor, a proportion current.

Input frequency range from 0 to 5 Hz span up to 10 kHz span, at voltages 50mV to 14 V. Output is 10 mA or 4 to 20 mA, accuracy is better than 0.2 per cent between 5 and 100 per cent span.

If needed the unit can be followed by a trip amplifier alarm, control or a relay. It is available at a pre-set price. More about the device, block, from the company, Kettering, N (0536 780156).

Wheaton, Illinois, U.S., CT (London) acts as a Floodlights produces a flood light spray pattern available in a range of capacities.

On the petrol tanks there are set, at about 1-foot in a ring mounted just the shallow cone tank it from alternate nozzles inwards, up the inclined face, the rest point straight on the roof. A square of the apex carries four nozzles to ensure complete

As water streams off it meets a splash plate deflects it down the tail wetting and cooling the surface. There are 94 jets the bigger tanks, and smaller ones.

Protects man and machine

A SAFETY guard has been developed that can protect screws, shafts, spindles, etc. that have hitherto been damaged and wear, and same time protect the operators from these moving shafts.

Known as Tensaguard made from stainless steel strip in the form of a h telescopic tube closely overlapping join its relaxed state the tube tended; slight pressure at closes it to a minimum surface to the width of the strip material.

In use it expands or is pressed to fill the void between a travelling and part of a machine, protect leadercrew or shaft from of airborne dust, dirt and debris. It is operated by hand or by a rotating part machine.

Fitting is simple and there is no need to disassemble the guard while it is made by Tensator, 71 Floodjets, these are made by Spraying Systems Company, MK16 9BE (0608 610705).

Water spray protects

AT THE Lonsbury Terminal in Fulham, B.P. Oil Co. has commissioned five petrol storage tanks—and installed a spray system to safeguard the contents against fire.

Designed by the Engineering Department of B.P. Oil Co. in operation with the Spraying Systems Division of C.T. (London), 3, Hobart Place, London, S.W.1. (01-235 1304), the system enables the whole external surface of the tanks to be enveloped in a continuous moving film of water.

The tanks are 72 feet high, three are 40 feet (holding 5m. gallons each) and two are 48 feet in diameter (holding 1m. gallons each). They are of welded mild steel sheet, coated with aluminium paint to reflect solar radiation.

The spray system uses mains water carried through four-inch bore pipe to the tank top where nozzles are mounted. Called Floodjets, these are made by Spraying Systems Company, MK16 9BE (0608 610705).

INSTRUMENTS

### Recorders for systems

FOUR more models have been added by Bryans Southern Instruments to its 28000 series of chart recorders.

Introduced to allow the high specification 28000 units to be used in single application and for OEM purposes, the recorders have their sensitivity pre-set at the factory to the value chosen by the customer.

There are single and two-pen versions, either with the chart speed pre-set or with the normal ten-speed chart selector providing 0.5mm/min to 10mm/sec. Options include event markers, remote pen lift, chart take-up spool, and a retransmitting potentiometer giving an output proportional to pen position.

Also introduced is an integrator model useful, for example, in gas chromatography where area under the curve has to be found. A development of two-pen machine, it uses a pen to write over the a sensitivity range while second traces the integral at the right hand side of chart. More from 1 Willow Mitchen, Surrey CR4 4UL 648 5124).

Information communication

This is a growing demand today for fast reliable information. Information is needed for many purposes, from the simple to the complex. The information must be accurate, up-to-date, and easy to use. The information must be communicated in a way that is clear and concise. The information must be communicated in a way that is timely and relevant. The information must be communicated in a way that is accessible and usable. The information must be communicated in a way that is secure and reliable. The information must be communicated in a way that is consistent and coherent. The information must be communicated in a way that is complete and comprehensive. The information must be communicated in a way that is clear and concise. The information must be communicated in a way that is timely and relevant. The information must be communicated in a way that is accessible and usable. The information must be communicated in a way that is secure and reliable. The information must be communicated in a way that is consistent and coherent. The information must be communicated in a way that is complete and comprehensive.



## LABOUR NEWS

### Threat of action if Six return to Ferrybridge

By DAVID CHURCHILL, LABOUR STAFF

LEWISARDS at the Ferrybridge "C" power station in Yorkshire, last night threatened industrial action if the four recognised TUC unions which have a closed shop agreement with the GECB, returned to the power station yesterday. Afterwards Mr. David Smith, Electricity Generating branch secretary of the General and Municipal Workers' Union and chairman of the Ferrybridge works committee, said: "We want to place on record our opposition to any of the six, or other non-unionists, being employed at Ferrybridge 'C' power station."

### Civil servants seek job assurance

By DAVID CHURCHILL, LABOUR STAFF

AS 500,000 civil servants, yesterday to express their anxiety over the announcement that the Government will not be made more than £100m. service spending by the Government's plans, the unions are seeking assurances that their will be no dismissals and that economies will not be made solely among white-collar employees.

### Decca Leicester factory not to close

THE DECCA audio factory at Leicester which was due to close down, has been given a reprieve but this good news is tempered by the prospect that only 100 of the existing 300 jobs will be saved. Mr. Bob Watkins, Decca director responsible for audio and television activities, said concessions had been made whereby it was possible to retain some audio manufacturing in the 730,000 level of last year's present total is estimated at 750,000. Watkins said that, although the factory would be transferred to producing TV sets as they were in an even more difficult position, both being on compulsory redundancies, a four-day week.

### Docks meeting condemns London closure plan

By DAVID CHURCHILL, LABOUR STAFF

STING of 600 dockers, London's West India and Docks yesterday in "total opposition" to a "total closure" of the London Authority's docks and cargo handling down the Royal group of meeting was something of a by-product of the Transport and Workers Union and the National Amalgamated Res and Dockers. Most of the 3,800 workers in two docks apparently feel it worth attending. By of MPs is planned to meet and national and dock union officials are talks with Mr. John the PLA manpower next week.

### Campaign to aid low-paid

By DAVID CHURCHILL, LABOUR STAFF

HC has been asked by Pay Unit action group, to see a campaign of support for low-paid workers in the unit wants a recruitment campaign for low-paid workers who, it is difficult to recruit because of the work for small firms. The unit admits would be the expensive, should be by TUC affiliated unions and supported by the Government. The Low Pay Unit is also concerned that the trade unions drive to abolish wages councils is harmful to low-paid workers. It wants a committee of inquiry only to decide if a wages council should be abolished and there should be "adequate" voluntary collective bargaining machinery to replace it. Unions are being asked by the unit to "give a year" for the low paid, and support the campaign for increased recruitment.

### Burton workers in closed shop deal

By DAVID CHURCHILL, LABOUR STAFF

OVER 6,000 workers from the Leeds-based Burton Tailoring group have won a closed shop agreement which shop stewards from the National Union of Tailors and Garment Workers are expected to ratify later this week.

Part of a comprehensive agreement on pay and procedures worked out over 10 months, it proposes that membership be a condition of employment. The union already has about 95 per cent membership at the company.

Employees who conscientiously object can appeal to a joint union-management committee and, if successful, will pay the equivalent of dues to charity.

The company undertakes to deduct dues directly from employees' wages and salaries. The complete agreement was made necessary by the group's decision a year ago to leave the Clothing Manufacturers Federation which it felt did not provide an overall system for determining working conditions.

The agreement which Burton's claim, is the largest of its kind in the men's clothing industry, introduces a job grading system which will establish equal pay for women, who form the bulk of the work-force.

Since Burton's left the Federation, the union has also negotiated higher rates than those achieved by other workers in the industry. Last September, Burton workers were offered the full 50 per cent increase, while

### Demand for retraining at Chrysler

By Our Midlands Correspondent

TEAMS from Employment Service Agency have set up Jobcentres in Chrysler engines and Avenger assembly plants in Coventry.

More than 4,000 employees are losing their jobs immediately, and one in ten have enquired about chances for qualifying for grants of up to £2,000 under the Employment Transfer Scheme designed to help redundant workers obtain jobs in other parts of the country.

Altogether more than 2,000 enquiries from Chrysler employees have already been dealt with. For the first time in a major motor industry downturn workers are actively seeking to sever connections with the industry.

In the past they have found temporary jobs elsewhere before getting back into the high paying motor industry as soon as possible. Now they seem to be leaving it for good.

Training Services Agency experts helping to advise Chrysler workers facing redundancy have been overwhelmed by applications to take courses under the Training Opportunities Scheme. This enables suitable candidates to take full-time courses at colleges or skill-centres to fit them for jobs in other industries, with a chance of upgrading their abilities.

### Unions seek 50% representation in pension plans

By DAVID CHURCHILL, LABOUR STAFF

THE TUC wants trade unions to be given the statutory right to 50 per cent representation in pension schemes to which their members belong.

This was confirmed yesterday by Mr. Len Murray, TUC general secretary, at the same time as he strongly criticised the fact that British workers received lower pensions than most EEC workers.

Mr. Murray, speaking at the London Insurance Institute, made it clear that the TUC was not prepared to compromise on its demands for an equal say by unions in running pension schemes.

"We not only want effective control of the running of these schemes," he said, "We want effective negotiations on their structure and on their finance."

But before unions could effectively negotiate on pensions, which Mr. Murray saw as being just as important an issue for unions as higher wages, it would be necessary to have full disclosure of information.

He suggested that unions should see valuation reports and be aware of employers' contributions and the investment policy.

Unions should also jointly determine the level of employee contributions and help frame the rules for the scheme.

Mr. Murray repeated the TUC's immediate aim of achieving a substantial increase in the flat rate pension to a level at which a married couple received half of the average male earnings and single people a third.

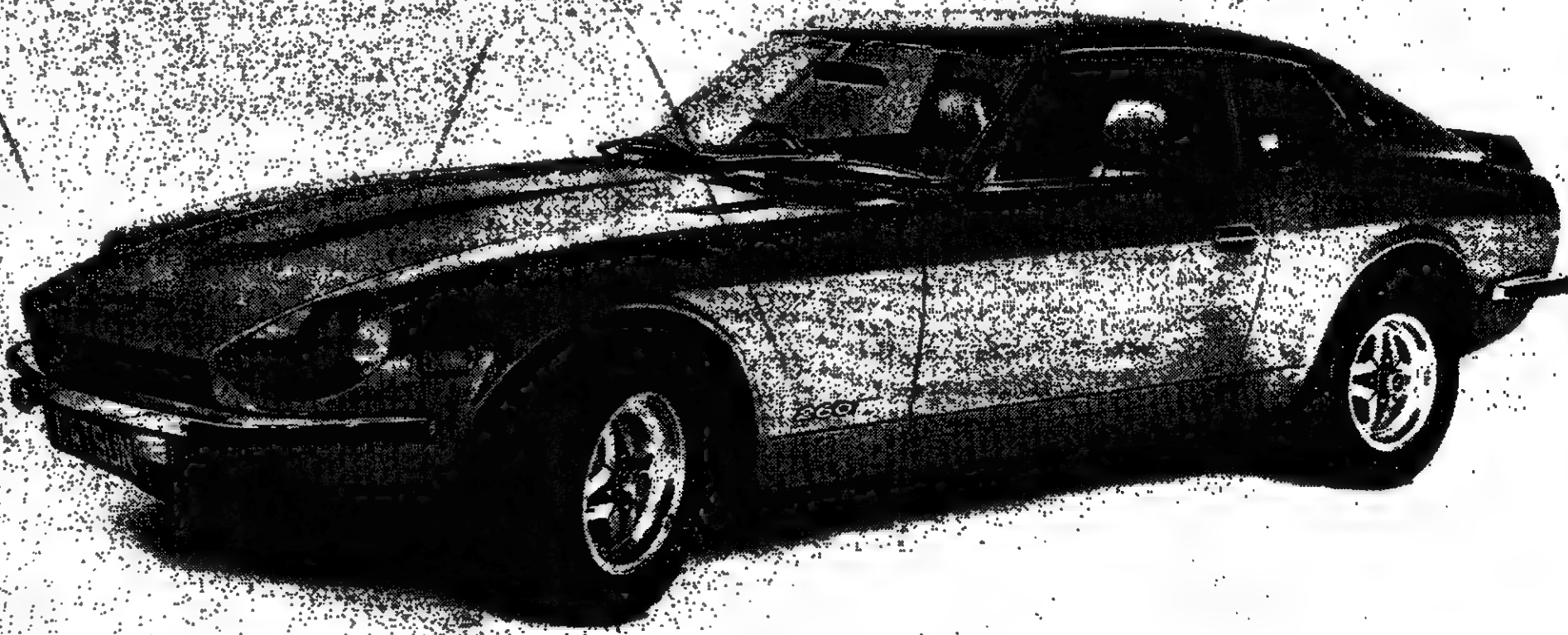
"This would ensure a clear and unambiguous definition of a decent minimum level of pension to which all pensioners are entitled," he said.

The TUC's aim was reinforced, said Mr. Murray, by the findings of a recent survey which disclosed that other EEC countries maintained higher State pensions for retired workers.

To help trade unions achieve better occupational pensions schemes the TUC is publishing later this month a negotiators' handbook which will outline criteria for successful schemes.

Apart from improved pensions for employees, Mr. Murray welcomed recent suggestions that money invested in pension schemes—which totalled over £20bn—should be a major source of finance for capital investment in industry.

Developing occupational pension schemes with the aid of trade unions could help achieve good industrial relations, said Sir Donald Sargent, chairman of the Society of Pension Consultants, at a conference yesterday.



## You can pay around £4600 for a Datsun...

Powerful, exciting... and a luxury four-seater. The superb 260Z 2+2 from Datsun. One of a range of high quality cars by the world's fourth largest car manufacturer.

Datsun's range is extensive: from technically advanced small cars to luxury saloons and the exotic 120 mph 2+2.

The Datsun 260Z 2+2 has an impeccable pedigree. It's developed from the world's best selling sports car, twice winner of the incredibly tough East African Safari Rally. Now it has become a blend of rare motoring enjoyment and down to earth practicality.

\* For the sheer joy of driving, it has a 2.6 litre, 6-cylinder OHC engine that produces 162bhp SAE; a close ratio 5-speed gearbox; rack and pinion steering; power assisted brakes; alloy wheels with high speed radial tyres and superbly safe handling.

\* For occasions when you need to be thoroughly practical, it offers FOUR individual seats and a huge opening tailgate. You can fold down the 2 rear seats to give a long, wide and low luggage area.

\* And for the little luxuries of life, it gives you a self-seeking radio with electric aerial, stereo tape deck, tinted glass, heated rear window, reversing lights, deep lustre metallic paint, clock, electric washers, 3-speed wipers with intermittent setting plus wash/wipe and much more.

The 260Z is one of a family of 6 cylinder cars, all made by Datsun. The Laurel Six is yet another.

A remarkably roomy and comfortable saloon so fully equipped that it includes radio and stereo cassette player, tinted glass, reclining front seats, heated rear window, reversing lights, clock, rev counter, even wing mirrors in the basic specification.

The Laurel Six guarantees you smooth performance because of its 6 cylinders; with an engine capacity of 2 litres, it offers you remarkably good economy—on low grade fuel!

With every Datsun you get the reliability for which the make is famous and the REAL economy of trouble-free motoring. You also get a new, private car warranty giving an unlimited mileage guarantee for 12 months.

The nice thing about Datsun is this—that however much you pay, you know you're getting remarkably good value for money.

The 260Z 2+2 £4598.13. The Laurel Six £2679.32 (Prices quoted include Car Tax & V17. Seat belts & delivery charges extra).



Laurel Six

## Hill Samuel Base Rate

Hill Samuel & Co. Limited announce that with effect from Tuesday February 10th, 1976, their Base Rate for lending will be reduced from 10 per cent. to 9 1/4 per cent. per annum. Interest payable under the Bank's Demand Deposit Scheme on sums of £1,000 up to £100,000 will be at the rate of 7 per cent. per annum. Interest rates for larger amounts will be quoted on application.

Hill Samuel & Co. Limited  
100 Wood Street  
London EC2P 2AJ  
Telephone: 01-628 8011



## BARLOW RAND LIMITED

Day to register to qualify to receive invitations. The Ameshoff Group to purchase ordinary shares in Barlow Rand Limited.

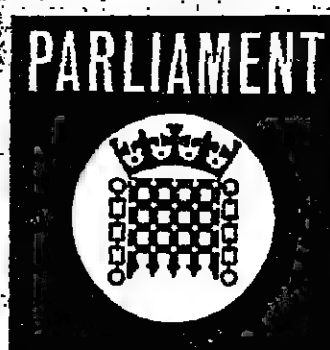
Ordinary shareholders of Barlow Rand Limited are reminded that the last day to register in order to qualify to receive invitations to the Ameshoff Group to purchase shares in Barlow Rand is 16.30 on 13 February, 1976.

Warriner, Secretary. 9 February, 1976.



Datsun U.K. Limited,  
Datsun House, New Road, Worthing, Sussex. Tel: Worthing 68561.





## Talks on Concorde routes in progress

THE GOVERNMENT is holding discussions with India on over-flying rights for Concorde, Mr. Peter Shore, Trade Secretary, said MPs yesterday.

Answering Mr. Michael McNair-Wilson (C. Newbury), the Minister said he would make a statement when possible.

He told Mr. John Stonehouse (Lab., Walsall N.) that Britain and France were in discussions with the Soviet Union about a superoceanic corridor and a refuelling stop in Siberia.

He was not aware of any application from the Soviet Union, with regard to the TU144, to fly to Heathrow.

Mr. Robert Adley (C. Christchurch and Lynton) asked Mr. Shore to tell any overseas Governments who might seek to use Concorde as an excuse to involve themselves in unrelated issues, that such tactics were counter-productive, particularly if they sought to stifle criticism of current events in those countries.

Other MPs laughed when Mr. Shore replied: "You clearly have some serious matter on your mind which you have not felt it proper to reveal to the House, but I take note of what you have said."

He told Mr. Robert McGinley (C. Brentwood and Ongar) who wanted to know what was being done about flying Concorde to Johannesburg: "We have to take these questions of routes one at a time." The Government was pressing ahead with priority routes.

# Tougher controls over secondary banks needed, says Shore

BY JOHN HUNT

THERE IS a need for much stronger regulatory powers in the secondary banking sector and the company sector generally in the wake of the Department of Trade and Industry report into the collapse of London and County Securities, Mr. Peter Shore, Trade Secretary, told the Commons yesterday.

He also promised that he will be examining carefully the role of auditors as a result of criticisms made of the auditor in the London and County affair. According to Mr. Shore, this aspect of the matter is already being investigated by a sub-committee set up by one of the professional accountancy bodies.

Mr. Shore was replying to Mr. Dennis Skinner (Lab., Bolton), a leading left winger, who asked for a statement on the Department's investigation into the company. Mr. Skinner declared that the report had been largely overshadowed by "another Press rumour" on the day it was published.

He asked Mr. Shore to comment on the statement of the report that leading politicians should not become involved in such practices.

If politicians should not become involved in the setting up of secondary banks, neither should anyone else, Mr. Skinner argued. On these grounds, he suggested that the Government should "outlaw" secondary banking.

The Secretary of State replied that the report itself had described the affair as a "described" affair.

On the question of part-time directors, he was certain that the report had said that they did have a much wider relevance.

"The whole report and other reports recently from the Department of Trade indicate the need for much stronger regulatory powers not only in the company sector generally but specifically in



MR. PETER SHORE  
To look at role of auditors.

secondary banks," he added. Mr. Peter Hordern (C. Horsham and Crawley) said that one of the worst features of the report was that the auditors had passed the accounts of London and County. He urged the Secretary of State to have consultations with the accountancy profession to see that proper accounting standards common to everyone in the profession were soon adopted.

Mr. Shore promised that he had taken careful note of this point, but said that one should distinguish between the different stages in which the auditors were involved. In some activities the auditors were criticised to some extent by the inspectors, but in other cases they were not.

He also recalled that the report had said that the auditors in this case were dealing with an extraordinary degree of deception and dishonesty.

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He also recalled that the report had said that the auditors in this case were dealing with an extraordinary degree of deception and dishonesty.

Mr. Shore reminded him that there were several references in the report to the role of the auditors but only in some of these had the inspectors had critical remarks to make. It was the practice of the professional bodies in accountancy to set up a sub-committee to make an investigation when auditors were criticised by the Department of Trade. He understood that this was being done in this case.

"Beyond that, I certainly will be looking much more carefully myself at the whole role of auditors in these very important matters," he added.

From the Liberal benches, Mr. Richard Wallwright (Colne Valley) claimed that not only had the auditors been completely deceived by Mr. Gerald Caplan, chairman of London and County, but they had remained the auditors to the company right up to the time of its crash.

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## Moves on Angola recruits to-day

BY PHILIP RAWSTORNE

GOVERNMENT MOVES to end the recruitment of British mercenaries for the war in Angola are expected to be announced to-day.

Mr. Harold Wilson, who told MPs yesterday that a "considerable number of the mercenaries had been killed in battle and that reports of the execution of others appeared to be true, said that he would make a statement in the Commons on the wider issues involved.

The Prime Minister had been urged by Mr. Gwyn Roberts (Lab., Cannock) to "use some additional powers" to deal with the recruitment.

Britain's ambassador in Luanda had been unable to confirm or deny reports of the execution of 14 British mercenaries, said Mr. Wilson.

From all the facts available it appears probable that tragic incidents including the loss of life of a number of recruited mercenaries have taken place. It is equally the case, on information available, that a considerable number were also killed in warlike operations."

Mr. Wilson said he doubted whether reports of the executions had been exaggerated. "As to the substantial numbers killed in warlike operations, there is no doubt at all that these are very considerable indeed."

Government sources last night would give no estimate of the numbers killed in battle, but some MPs believe that the figure was about 30.

Foreign Office experts have been examining the provisions of the 1870 Foreign Enlistment Act which prohibits British subjects from fighting against States which are at peace with Britain to see whether they could be used to end the recruitment of mercenaries.

## Bid to counter low Eastern bloc shipping rates

BY JOHN HUNT

THE Department of Trade is having urgent consultations with foreign governments and with shipping interests at home and abroad about subsidised freight shipping by shipping lines from Eastern Europe and the Soviet Union.

The intention is to draw up a common policy on which an approach can be made to the Eastern bloc countries, concerned.

Mr. Richard Mitchell (Lab., Fife) said there was evidence that in certain cases, British shipping rates were being undercut by 25 per cent and as a result the jobs of a lot of seamen were threatened.

The Minister assured him that the Government was very concerned indeed. But a careful approach was needed and there should be a combined approach on the matter rather than a bilateral exchange between Eastern bloc countries and Britain.

According to Mr. Ben Ford (Lab., Bradford N) it was not just a question of shipping but of a whole range of goods—particularly textiles. He saw it as a "conspiracy" by the Eastern bloc to distort the Western economies and he urged the Government to take the matter very seriously indeed.

From Mr. Tim Reuten (C. Mid-Sussex) came a reminder that under Part 3 of the Merchant Shipping Act, the Department of Trade has powers to prevent foreign vessels using British ports if necessary.

But Mr. Davis replied that these powers were very draconian indeed and the intention of the Act was that they should be used only as a last resort.

Belgium, Finland, France, the Netherlands and Norway. There was very grave concern on this matter on a worldwide basis. Mr. Davis told him: "There is widespread anxiety so far as shipping and governments are concerned. It is right we should carry out a careful assessment of the position and look as far as we can to a co-ordinated approach to resolve the problem."

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## Cheaper

From the Opposition benches, Mr. Terence "Shadow" Trade Secretary tested that it was sh of the Government exports from this e Russia and Communism on terms far better given to industry in.

The result was that it was able to set into the U.K. cheaper own industry could a He cited the case of of textile machinery and the subsequent d textiles in Britain.

But Mr. Shore expressed surprise at the line taken by Mr. Higgs. He argued that not look at the problem as a matter of import Eastern Europe and Union. We had to et countries during bus these countries.

"I think we have t thing in balance," he "Our credit terms el to be competitive countries during bus Eastern Europe."

## Cash aid for parties

TAXPAYERS gave £196,215 to Opposition parties from March to December last year to assist them in carrying out their Parliamentary business, Mr. Edward Short, Leader of the Commons, said yesterday.

In a Commons written reply, Mr. Short told Mr. Enoch Powell (UUG, Down S.) that the Conservatives received £180,000, the

Liberal £33,234, the Scottish Nationalists £9,898, Plaid Cymru £2,331 and the Social Democratic and Labour Party £362.

Mr. Short said that each party, following a Commons decision last March, had been given the money and submitted returns showing they had spent it exclusively on parliamentary business.

## Stonehouse ridicules allegation he spied for Czechs

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

MR. JOHN STONEHOUSE, Labour MP for Walsall, N. last night denied that he had ever been a Czech spy or an agent of the U.S. Central Intelligence Agency.

Ridiculing these allegations in the Commons, Mr. Stonehouse agreed that when he had been Minister he had unknowingly associated with Communists.

It was almost impossible for a Minister not to do so when he engaged in negotiations with Communist countries, he said. He added: "Most Ministers of both administrations have in past years associated with agents. There is no escaping from them."

It had happened to him as a Minister, said Mr. Stonehouse, when he was negotiating with the Czechs and he was trying to sell the VC 10 to their aircraft Minister. The man who turned up as an interpreter at those talks had since been named as one of the leading agents in this country, he said.

Mr. Stonehouse urged the establishment of a Select Committee to investigate the operation of secret agents—not least those of the CIA and the extent to which they engaged in sabotage.

Mr. Stonehouse was supporting a motion from the Labour backbench during a debate in which the Left wing called for a foreign policy which more strenuously opposed reactionary practices abroad.

Mr. Stan Nevins (Lab., Harlow) urged the Government to condemn abuses of human rights and to refuse to supply arms and, in the worst cases, aid to governments carrying out these abuses.

He attacked support from abroad given openly or in a clandestine manner to reactionary individuals or cliques seeking to deny political freedom and economic advance to their peoples.

Mr. Nevins referred to the treatment of political dissidents in the Soviet Union and Czechoslovakia and attacked the regimes in Chile, Brazil and Iran. It had been said that General Heisel, President of Brazil, which had been ruled by "imprisonment, murder, torture and crimes against humanity," was to make an official visit here. He would be told that we did not want him here until his vile regime had been cleared up.

Since the regime of the Shah of Iran had been established in 1953, rule had been carried on

by secret military trial, torture and execution on a tremendous scale. Attacking U.S. policies, Mr. Nevins said: "I have no brief for the KGB and I deplore their crimes. But I equally deplore the record of the CIA."

"It has been based on deceit, sleight of hand, the use of criminal elements and utter

Union imperialism. I very big difference between the CIA and Jack Anderson's work of the CIA and whatever mistakes a man makes, w enormous debt to the one who had worked or foreign agents, how much we need to

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Mr. Julian Amery (C Brighton Pavilion), said everybody looked forward to the day when policies between States would be a series of international negotiations. But Mr. Gooden had made it extremely clear that, in his view, the ideological struggle between Communist and non-Communist countries would continue.

"When it comes to Angola, surely by far the greatest scandal is the mass invasion of at least 12,000 or more Cubans and Soviet officers."

Britain could no longer police the world. We had to decide where to concentrate our effort. "Our first duty is to the people of this island—to preserve their living standard, their freedom and their moral values."

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## Tories set up small businesses link

MRS. THATCHER yesterday announced the setting up by the Conservative Party of a Smaller Businesses Bureau.

It is to operate at Conservative Central Office under the direction of Mr. Andrew Rowe, director of community affairs and youth, who will work in close co-operation with Mr. David Mitchell, MP for Basingstoke, and his colleagues of the Parliamentary Smaller Businesses Committee.

Mrs. Thatcher said that the bureau would collate and analyse the views and special problems of small businesses to ensure that she and the "shadow" Cabinet and the smaller businesses committee were fully aware of them. It would also provide a direct link between individual small companies and the Conservative policy study team.

Unemployment was growing among Britain's small firms as those who ran them and those who worked in them realised that their whole purpose and way of life was imperilled by the cumulative attack on them by the Socialist Government, said Mrs. Thatcher.

When Labour sought votes they did not hesitate to promise action to help the small firm. "Well, where are these helpful proposals?" she asked.

"Nothing to help them has been announced in the Government's programme for 1976. Small firms did not even appear on the agenda of the last NEDC meeting."

"From the way they are ignored by this Government no one would guess that one worker in three outside the public sector owes his livelihood to their continued operation."

## Welsh Court rejects poll on devolution

THE Welsh Council yesterday voted against holding a referendum on Government P for an Assembly by a 1 of one—and backed the Minister's White Paper on devolution.

After the 37-strong meeting in Newtown, Mr. Sir Melvyn Rosser, C, said: "Some members of that constitutional required reference to the at large, as opposed to the decided on this issue."

Six of the eight Welsh councils, 27 of the 37 Welsh Councils and the Council of the National Union have called for a referendum.

Sir Melvyn said the felt the role and powers Secretary of State for would not be diminished advent of a Welsh Assembly

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In South-east Asia, top and middle management recruiting currently is limited to emergency replacements. Mr. Korn looks for a turnaround in mid-1978 when even slightly greater demand from the U.S. and Germany for rubber and

Other, per studies indicate executive pay in the U.S. was up sharply in 1975 but lower increases are forecast for 1976. Last year saw the highest annual percentage increase in executive salaries in 25 years, with national surveys by the American Management Association and others showing upward salary movements of 10 per cent. or more. That only kept up with the family's expected rate of inflation but it topped the pay advances for many other employee groups. U.S. executive salary increases in 1976, however, won't match those handed down in 1975, the studies show.

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TUESDAY, FEBRUARY 10, 1976

## Safeguarding the dockers

THE Dock Work Regulation Bill, which has its second reading in the House of Commons today, is regarded by its defenders as logical continuation of the process whereby, since the war, the employment conditions of dockers have been steadily improved. The Dock Workers' Employment Scheme (which virtually guarantees a job for life), followed by the introduction of permanent employment in 1967 and the elimination of the temporary unattached register in 1972, has given dockers a degree of security which may seem excessive in comparison with other groups of employees but is understandable in terms of the past history of the docks. Yet despite these privileges—and to some extent because of them—employment opportunities for dockers have diminished. Containerisation has reduced the amount of work done on the quayside.

## Bitterness

This has caused intense bitterness on the part of the dockers themselves, erupting on several occasions into serious strikes, the most celebrated case was the jailing of five London dockers in 1972, after the men had refused an order of the National Industrial Relations Council to stop picketing a cold store. In one sense the dockers are no different from any other group which is suffering from technological change and is trying to resist it; they also have industrial power and they are not afraid to use it. But the special position of the dockers within the Labour movement—to say nothing of the personal influence of their leader, Mr. Jack Jones—has made it inevitable that some attempt to deal with their grievances would be made.

The right approach would have been for the Government to help the dockers adjust to the effects of technological change without at the same time impeding the flexibility of the country's transport system. Instead, the Government has leaned much too far in the direction of protecting the

dockers and has taken much too little account of the public interest in the efficient handling of freight traffic.

The Bill proposes that the present National Dock Labour Scheme should be extended to ports not at present covered by the Scheme and to other operations classified as dock work carried out in the "cargo-handling zone," this zone would cover places which are within five miles of the nearest point on the sea or any major inland waterway. All work classified as dock work within the five-mile area would be performed by registered dockers, with the special privileges that the National Dock Labour Scheme confers.

Not surprisingly, the Bill as drafted was not popular with other trade unionists who feared the encroachment of dockers into their traditional areas of employment. As a result of their protests, and subsequent discussions within the TUC Transport Industries Committee, Mr. Michael Foot, the Employment Secretary, is expected to introduce amendments to define more closely which jobs and industries are to be excluded from the extension of the Scheme. But the basic thrust of the Bill—to enable the dockers to win back jobs that they have "lost"—remains unchanged.

## New approach

The Government is caught in a dilemma not entirely of its own making. Any move to water down the proposals is likely to provoke violent protests from the dockers, while employers are determined to fight the enactment of the Bill in its present form. It is not too late for the Government to think out a new approach. The provision of alternative job opportunities for dockers should not involve the extension over a wider area of rights and privileges which were designed to deal with entirely different social conditions nearly 30 years ago. To persist with the Bill is to invite a new form of disruption no less serious than the unrest it is designed to cure.

## The politics of the Spanish peseta

THE 11 per cent. devaluation of the Spanish peseta yesterday is a reminder that the economic and political problems of post-Franco Spain are inextricably linked. In terms of output, Spain is the eighth industrial power in the Western world, its average annual growth rate in the period 1961-73 was over 7 per cent. Clearly economic growth on this scale was a stabilising factor in the last years of the Franco régime; without it, the political pressures for change might have been even greater.

## Tourism

By 1975, however, the growth rate was barely 1 per cent. In part, this was a reflection of the worldwide recession, yet in the Spanish case there are special factors which make it unwise to bank on a gradual recovery. These are pre-eminently, though not entirely, political.

Even in the days of the economic miracle there were potential weak spots in the overall performance. The value of imports continued considerably to exceed the value of exports. Until 1973 the deficit on visible trade was compensated by tourism, remittances from Spanish workers abroad, and foreign investment, but by 1975 there was a shortfall of nearly \$3bn. Yesterday's devaluation, on the face of it, should provide a boost to tourism this year, though this will depend to some extent on the political situation and it has to be remembered that Italy, which is a rival attraction, has already allowed the lira to depreciate by a similar amount. Remittances from workers abroad have dropped because of the recession and will presumably be at least partly dependent on political factors in future. Net foreign investment was already falling in the last days of General Franco and seems unlikely to revive until there is some assurance of political stability.

There is also the problem of rising expectations conditioned by the years of growth. Last month's strikes may have had a strong political element, but there was also a straight demand for more money. According to some employers, the number of work days lost was as great as in the whole of 1975. Not least, there appears to be a widespread feeling that the distribution of income is inequitable and that the benefits of the boom were insufficiently shared. There are discontents here which any trade union or political movement can easily exploit, and the power of workers' representatives in Spain is by no means negligible.

## Regions

Politics and economics are interlinked too in the problems of the regions and in the Spanish approach to the European Community. If the unrest among the Catalans and the Basques is met by granting greater regional autonomy, this must have economic implications. They would need greater powers to raise and dispose of their own revenues, yet if these were granted there would be new problems among the poorer regions which are to some extent subsidised under the present centralised system. Again, there is a temptation in Spain to seek salvation as well as respectability from membership of the Common Market. The attitude of some of the existing members, however, is that the Spaniards must achieve political respectability first and membership afterwards. If this view prevails, the Community can offer little economic promise in the short term.

There are more problems here than can be solved by the devaluation of the peseta. Like the speech by the Prime Minister on the political future last month, the sudden currency move suggests that the Government is reacting to events rather than pursuing a considered policy. Given the absence of political debate under General Franco, this is not surprising, but meanwhile the problems are mounting.

Current events in Africa are gravely affecting two of the world's largest copper exporters. But, so depressed is world demand, the market appears hardly to have noticed. John Edwards analyses the situation's long-term dangers.

## Crises tightening the Copper Belt

TWO YEARS ago, the news that two of the world's leading copper exporting countries were beset with political and financial problems threatening the future of the African Copper Belt would have sent London Metal Exchange prices soaring. Today, judging from the lack of reaction on the LME copper market to the recent dramatic developments in Africa, Zambia and Zaire would hardly seem to exist as copper producers. Even the declaration of a full state of emergency in Zambia brought but a brief surge in prices which was followed by a quick return to the prevailing depressed levels.

Behind this apparent lack of market concern is the fact that the commodities boom of two years ago is now but a memory; surplus world stocks of copper are at record levels and, even with production badly hit, there seems no danger of a shortage without a major change in the supply-demand balance. Even if industrial activity recovers in the near future, so many forecasts, bringing a sharp rise in copper consumption, surplus stocks are expected to go on increasing until 1978, thanks to existing plans to expand production.

## Production down

The extent of the present surplus is well seen in the way stocks have gone up as a proportion of demand. In 1973, stocks amounted to 13.4 per cent of annual consumption. Last year, the figure was 42 per cent, while the forecast for 1977 is 46 per cent. The London Metal Exchange's warehouses are currently holding more than 519,000 tonnes of surplus copper, a record which is over twice as high as the previous peak—192,000 tonnes—seen in December, 1972—and compares with less than 11,000 tonnes in April, 1974.

In the light of this, the lack of concern about supplies from Zambia and Zaire is not surprising. The two countries produced 698,000 tonnes and 544,000 tonnes respectively in 1974, but somewhat less last year with recent figures from the World Bureau of Metal Statistics putting Zambia's output (but not necessarily sales) in the first 11 months at just under 620,000 tonnes and Zaire's at just over 420,000 tonnes.

To-day, Zambia's production—the country's almost sole

source of foreign earnings—is being increasingly affected by the continuation of the Angolan closure of the Benguela Railway, which has hit the country very hard. Since early 1973, when it was decided to cease copper shipments via Rhodesia, the bulk of Zambia's output had been sent out of the country by rail to Lobito Port in Angola with a much-reduced amount finding an exit through various alternative, limited, routes.

## Hit by curbs on imports

On top of these export problems, Zambia's mines have also been hit by curbs on the import of raw materials and machinery vital to production. As a result, the two main Zambian copper mining groups were last year forced to declare force majeure and cut their deliveries of copper already contracted for by 30 to 40 per cent. The declaration has now been lifted—but only because the quantities involved in the yearly supply contracts with consumers for 1976 have been drastically reduced to more realistic levels.

With the country already deeply in debt, it can hardly afford to keep producing at a loss. Neither can Zaire or other major copper producing countries such as Chile, Peru and the Philippines which are both highly vulnerable to financial pressure and heavily reliant on copper. So Zambia and Zaire, also facing transport problems, with its routes through Angola blocked, are far from the only countries where production has been cut. With mines attempting to respond to the huge fall in demand, some U.S. producers are now operating at only 60 per cent of capacity while members of the International Council of Copper Exporting Countries (CIPEC) last year agreed to an overall 15 per cent output reduction.

Overall, perhaps 50 per cent of Western copper mines have been operating at a loss for a considerable time. For it is estimated that at least half the mines currently operating in the West need a price of \$250 a tonne merely to break even—and this figure is rising all the time as inflation continues and unit costs rise thanks to lower production levels. At no time last year or so far this one has that \$250 figure been reached. Indeed, since the spectacular collapse in prices

explosion in the price of copper, as a vital raw material would almost inevitably stake the fires of world inflation again.

The EEC and Japan, as the biggest importing areas—the U.S. and the Soviet Union, the world's biggest copper producers, are virtually self-sufficient—have a particular interest in trying to stabilise supplies and prices because of their dependence on imports. In addition, the desperate plight of poorer countries, like Zambia and Zaire, has to be given special recognition.

Several alternative methods of achieving stability have been suggested. The main emphasis at present appears to be on the creation of an international buffer stock aimed at buying up surplus supplies above an agreed "floor" price and holding them off the market until demand

restores values to more economic levels. Rio Tinto Zinc, the international mining group, was attempting last year to launch a scheme under which a financial consortium would buy Japan's huge surplus stockpile and then seek to stabilise copper prices in a range roughly between \$750 to \$900 a tonne. But little has been heard of this ambitious plan recently, and the death of Sir Val Duncan cost of financing the exploration may mean that it has been dropped. The Japanese Government is now backing plans for a stockpile of non-ferrous metals, including copper, to avoid the future. Thus, in the 1980s, surplus stocks being dumped on when the present surplus is used up and existing expansion plans are completed, another acute shortage could result from the long gap between the search for and discovery of new deposits and the start of production. On average, it is estimated, to bring a new mine into full production takes four to seven years. A consequent

There were also rumours last year that the oil producing countries were to be approached by CIPEC to finance a copper stockpile, though CIPEC subsequently denied the story and, in any event, there was no definite response from the oil producers. Now CIPEC is seeking

## Set of ground rules

One answer here might be an international agency, under the auspices of the World Bank, which would not only provide the funds required but also lay down a common set of ground rules governing the relationship between the country and the company or group involved in developing a new mine.

The second problem is the need to protect the poorer developing countries from the harsh effects of the law of supply and demand in a free market. In copper's case, regulation of the market is best sought by seeking to change the economic order almost night or to distort world prices by involving countries with little money to spend. Significantly, it was CIPEC persuaded Japan to stop surplus copper on the market.

In the short term a palatable agreement to Zambian copper shippers resume via Rhodesia was a great help, although it might not be a favour producers generally.

Obviously prices will go up eventually to higher production costs. It is important here is the price of cane sugar. This will depend basic how soon the present inflation ends. Anticipating by speculator buying in cost of manufactured goods. In copper's case, the U.S. domestic producer price, possibly linked with movements in the rest of the world as quoted on the London Metal Exchange, might provide the basis for a similar formula. It may be argued that some sugar suppliers failed to honour their pledges under the Common-wealth Agreement, but this only copper, which is an immediate industrial world as a

## Considerable difficulties

Concluding such agreements would obviously face considerable difficulties. But the more attainable in circumstances than seeking to change the economic order almost night or to distort world prices by involving countries with little money to spend. Significantly, it was CIPEC persuaded Japan to stop surplus copper on the market.

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## MEN AND MATTERS

## The battle of Ernest Ridge

One reason behind Planning Minister John Silkin's unusual decision to kill the now notorious Aire Valley inquiry is concern for the man who has been in the hot seat since the first of the nine hearings started in November. Although it has not been specifically stated, it is quite clear that when a new inquiry starts the inspector will be Ernest Ridge, the 65-year-old retired chartered surveyor who has handled the matter so far, and who, according to Silkin, "has been through enough."

Protests reached a peak last week when objectors, who had been banned from the proceedings after earlier trouble, burst into Shipley Town Hall and again brought matters to a standstill. Hospital treatment was required for one steward. But throughout the affair, according to Silkin, Ridge has been subjected to a continuous barrage of abuse and a considerable number of personal threats. (Silkin himself has not entirely escaped, receiving a number of rude letters one of which was addressed to him as "Head of Gestapo" at the Department of the Environment.)

As an inspector Ridge earns £36 a day for his efforts with no extra allowances for coping with threatening protestors and poison pen letters. Before becoming an inspector he was deputy city development officer for Portsmouth for nearly 20 years, and since his retirement in March 1974 has conducted 13 planning inquiries—not counting Aire Valley.

An ex-major, Ridge was apparently prepared to continue this particular battle if requested. Silkin however has decided that he is entitled to a



"It's the first positive evidence that they're moving towards democracy!"

rest. "He has been put through far more than anybody in that position had a right to expect," the Minister said last night.

## New ball park

Professional footballers may be highly paid, but few of the clubs which employ them manage to stay in the black for very long—if at all. One which does not is Notts County, currently fourth in the second division and within striking distance of the leaders, yet still falling £1,000 a week short of break-even point on gate receipts.

Add this to the accumulated deficit of £188,000 at the end of the club's last financial year and the picture looks far from rosy. Not surprising therefore that Notts County, like many other first and second division clubs and to a lesser extent clubs in the lower divisions, has employed a commercial manager to try and boost revenue by means of off-pitch activities.

County's commercial manager is Stuart Burgan. He has been with the club for about a year

now, and in addition to normal fund raising activities by football clubs—ground advertising and the like—he is taking County into a completely new field: insurance.

Burgan himself is an ex-insurance broker, and he has got together with the club's brokers, Roger L. Fogg and Co. of Mansfield, to devise a scheme whereby County will pass on potential clients to Fogg with basic details as to the type of insurance required. Where these introductions lead to actual business for the broker, the football club will get a cut of the resulting commission.

Dennis Marshall, the club secretary, said yesterday that the idea was to get as many as possible of the club's regular supporters to do their insurance via Notts County, and thus help towards solving financial difficulties. The average gate at the County ground is 9,000-10,000—short of the 14,000 needed to break even, but still a lot of potential clients.

## Return to Akzo

The departure of Dr. Tiede Herrema from Fereka, the Linerick subsidiary of the Dutch Akzo group, comes two months after his hero's return to a town grateful for his courage while in the hands of IRA kidnappers. At the same time, his move to a job with Akzo in Holland did not appear to come as a great surprise to Irish industrialists who know him.

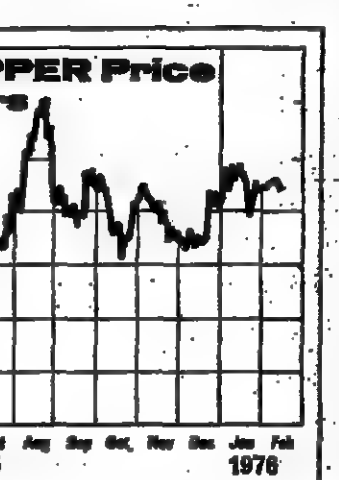
Herrema will leave at the end of this month, and will then prepare for his new post as director of the central staff department, personnel affairs, of the Arnhem-based chemical and textiles group. From July 1, he will become effectively head of personnel in an organisation which has lately had its share of labour trouble on the Continent—largely because of reorganisa-



Zambia's Mufulira copper complex: with the export route through Angola shut, the town is cut off from most of its potential overseas earnings and is seeing its copper industry generally run at a substantial loss.

mand restores values to more economic levels. Rio Tinto Zinc, the international mining group, was attempting last year to launch a scheme under which a financial consortium would buy Japan's huge surplus stockpile and then seek to stabilise copper prices in a range roughly between \$750 to \$900 a tonne. But little has been heard of this ambitious plan recently, and the death of Sir Val Duncan cost of financing the exploration may mean that it has been dropped. The Japanese Government is now backing plans for a stockpile of non-ferrous metals, including copper, to avoid the future. Thus, in the 1980s, surplus stocks being dumped on when the present surplus is used up and existing expansion plans are completed, another acute shortage could result from the long gap between the search for and discovery of new deposits and the start of production. On average, it is estimated, to bring a new mine into full production takes four to seven years. A consequent

There were also rumours last year that the oil producing countries were to be approached by CIPEC to finance a copper stockpile, though CIPEC subsequently denied the story and, in any event, there was no definite response from the oil producers. Now CIPEC is seeking



ing to establish a dialogue with consumers, instead of just acting as a producers' cartel, in the hope of promoting a long-term scheme for stabilising the copper market with the aid of the World Bank funds. But this is very much a long-term prospect. Even more ambitious is the integrated programme for dealing with "problem" commodities, including copper, recently launched by the UN Conference of Trade and Development (UNCTAD). Ten "core" commodities would be covered by the scheme. Among the proposals is a common fund to finance the establishment of a buffer stock support for all the commodities included as and when required.

Even if the many diverse interests were reconciled and sufficient political will found, any buffer stock scheme would

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Observer



# FINANCIAL TIMES SURVEY

Tuesday February 10 1976

## Bahrain

Bahrain has found itself increasingly on the map: an alternative to war-torn Beirut, Concorde's terminus and, more important, as a new offshore banking centre. Its non-oil strength is a relatively large and well-educated population.

FROM the air the islands of Bahrain are stunningly flat—light brown fingers and interspersed with palm trees and conglomerations of white buildings that jut the emerald waters of the Gulf. For the time being the islands are still preserved on the map.

capital, Manama, still has the genteel air of a provincial town. But things are changing fast. Office blocks are being built, and the islands are up to house multinational companies and banks, the shape of which is altering as a result of the oil boom. Bahrain will cease to be the only Gulf State, once a case is made to Saudi Arabia.

use of Bahrain as a political and military base to control the lower Gulf. The relative merits of Bahrain as a service centre are discussed elsewhere in this survey; suffice it here to say that the Bahrainis are conscious of their own limitations. Though not stated publicly people concede there is, and will be, room for more than one centre given the competitive nature of Abu Dhabi and Dubai. Thus there are signs now that the Government prefers to absorb first those who have come and those who have promised to come. The Bahrainis are also playing harder on what could be their strongest card: proximity to Saudi Arabia.

**Causeway**  
The project to build a causeway across the 40 kilometres of shallow water to the mainland of the Arabian peninsula holds out enormous potential for Bahrain. So far only feasibility studies have been carried out but certainly the Bahrainis are anxious to press ahead. Bahrain would inevitably benefit from the huge sums being spent on the development of the eastern provinces in Saudi Arabia. Bahrain port would also handle more Saudi imports. If the causeway project does go through it will confirm in tangible form what are already close links between the two States. For instance Bahrain's refinery depends largely on Saudi crude. They share an increasingly important (for Bahrain) offshore oilfield, the Saudis have been the biggest single source of external aid, and it is also worth noting that the late King Faisal used his weight to ensure that

Bahrain was selected as the site for the OAPC drydock. It is assumed that Bahrain has obtained Saudi support for its offshore banking scheme. This support is extremely important because it means that Saudi deposits will be placed with the international banks operating offshore in Bahrain. In the meantime a senior Iranian official had visited Bahrain since independence, and it marked the final

and will begin operating properly in April, Bahrain has been careful not to alienate Kuwait. Among the 26 licences granted so far, one has been given to the United Bank of Kuwait—ensuring Kuwait support too. Although the proposed union of the nine lower Gulf states collapsed and Bahrain decided to go it alone by declaring independence in 1971, Bahrain has managed to establish an easy working relationship with the UAE. The same cannot be said about relations with Qatar—still overcast by differences between the ruling Al Khalifa family and the al Thani in Qatar. Overtures by Bahrain, including a proposal to build a causeway between the two states have been ignored by the Qataris. The two states still dispute the Hawar Islands that form part of the Qatar land

mass yet have been traditionally claimed by Bahrain. During the year important steps have been made to improve relations with Iran, culminating in the visit in December by the Iranian Prime Minister, Mr. Amir Abbas Hoveida. This was the first time such a senior Iranian official had visited Bahrain since independence, and it marked the final

turning of the page whereby Iran up to 1969 laid historical claim to Bahrain. This and the treaty of friendship between Iran and Iraq last March have helped considerably in creating a new sense of equilibrium in the area from which Bahrain has benefited. Even the old radical opponent, the Baathist regime in Baghdad, is treated more cordially though still at some length. On a more general level the increased sense of security still has not changed the Government's basic distrust of radical regimes and it is in no hurry to establish diplomatic relations with Communist countries.

declared aims of the pact is to free the Gulf from the presence of outside powers. As it is the U.S. Navy is still permitted to utilise Bahrain (one destroyer and two escort ships are based there). The agreement for the use of this facility is due to expire in 1977, with the U.S. paying \$4m. rental over the remaining period. So far both the Americans and the Bah-

rajinis have kept their options open. Nevertheless it is a potentially sensitive issue—even though the U.S. presence is limited and very different from the former British one which in effect was a guarantor of the governments of the Gulf. By tradition Bahrain, with its larger population and longer exposure to education and foreign influence, has been the political weather vane of the lower Gulf.

sufrage except for the cabinet members and it was the first such experiment in the lower Gulf. What went wrong? Once elected the Government quickly discovered that the Assembly was operating very differently from intended. Unfamiliarity with committee procedures on the one hand and blocking tactics on the other created a huge pile of un-

approved Bills or unnecessary simple Bills. The result was that many basic laws necessary for the functioning of the State got held up, in particular the introduction of a criminal code. Within the Assembly a loose working alliance was forged between Islamic traditionalists and Leftists leaving little room for a moderate view, so the Assembly had more the appearance of an opposition party to the Government, at the same time there was a fear that the immobility of the Government, due to blocked Assembly business, was being exploited by the Left which traditionally has had a following in Bahrain.

This was necessary both to reassure the public and to prove that it was addressing itself to the main problems confronting Bahrain—housing, shortage of manpower, and a spiralling cost of living. Wealth is still confined to relatively few people and per capita income, reckoned at \$1,250, is roughly a quarter that of Kuwait. Thus these issues are serious ones to tackle. A scheme has been initiated to build 1,000 low cost housing units a year but there are some 7,000 families on the housing list, and unless the private sector also moves this problem is going to be aggravated. As it is, upper income housing is also in short supply with rents now reaching almost \$4,000 per month in some instances. A rent freeze is considered impractical since it would curb construction activity and also be hard to administer. Instead the hope is that by encouraging construction activity market forces will level off rents.

Quite apart from its impact on ordinary Bahrainis who now find the bulk of their wages taken up by rent and food, the high cost of living could have a negative impact on foreign companies seeking to establish themselves in Bahrain. For there is a limit to the price companies are willing to pay to be present. One executive worked out the other day that his rent alone was more than 12 Concorde fares a year. This is a strange turn of the wheel, because six years ago the main concern for foreign business was for the stability of the area in the light of the British withdrawal. It also shows just how far Bahrain has changed since then.

As a direct consequence of the dissolution of the National Assembly the Government pushed through with a number of measures including the creation of a Minister of Housing, since then.

As a direct consequence of the dissolution of the National Assembly the Government pushed through with a number of measures including the creation of a Minister of Housing, since then.

## Growth as a regional centre

By Robert Graham

### Homogenous

The choice is a difficult one since the Government can scarce ignore the extent to which education has permeated society. Unlike say, Saudi Arabia, Bahrain has opened its doors wide to the modern world (even to permitting such films as 'The Exorcist' to be shown). On the other hand the 265,000 population is still small enough for a form of guided democracy to work under the paternalistic hand of the Ruler. For instance the bulk of the leftists arrested in August have now been released. Bahraini society is also more homogenous and the population has a higher indigenous proportion than elsewhere in the Gulf. About 70 per cent of the population is Bahraini and the State does not have to resort to large-scale employment of Arab expatriates to make the administration function.

# Bahrain-The New International Money Centre

### The Bahrain Monetary Agency—

Was established by Amiri Decree on 5 December 1973 assuming all powers and duties normally enjoyed by a Central Bank. Became fully effective on 1 January 1975 when Commercial Banks moved their Clearing Settlement Accounts to the Agency from the National Bank of Bahrain. Announced it would henceforth deal in Foreign Exchange with local Banks in \$/US and £/Stg at fixed daily rates; subsequently the Kuwaiti Dinar, U.A.E. Dirham and Deutschmark have been added to the list. The US \$ rate is determined by the Agency within the agreed IMF range based on Gold Parity, and other rates represent the result of applying last known \$ cross-rates to that rate. Works closely with the Ministry of Finance to ensure a coordinated investment policy of the State's foreign reserves and an adequate supply of foreign exchange for the market. Introduced a forward exchange scheme: buying spot \$/US and selling forward \$ to local Banks against B.D. at a discount; this when subtracted from the cost of \$ deposits give the desired rate for the B.D. funds so created—at present about 7% p.a. for a 6-months deposit. This compensates for the fact that when \$ interest rates are high, like other Gulf countries Bahrain suffers a movement of funds into the Euro-dollar market, with a consequent reduction of available local credit and an unwelcome increase in Bahrain Dinar (B.D.) interest rates.

### Has since 1 August 1975

required Banks to maintain with it a minimum Reserve Balance of 5% of B.D. deposits and 1% of foreign currency deposits. It established maximum rates paid for B.D. deposits and permitted rate margins or commissions which commercial Banks charge customers for foreign exchange. Supports the issue by Banks of negotiable Certificates of Deposit in Bahrain Dinars and offers rediscount facilities to dealers in the secondary market. The Agency arranges a monthly offer of Promissory Notes by a major local borrower and these are eligible for rediscount by the Agency. Has recognised Bahrain's great attractions for Banks seeking a Gulf Region base from which to service Arab depositors and borrowers. It has therefore introduced a limited banking licence permitting the establishment in Bahrain of Offshore Banking Units, operating only in the wholesale banking market. Bahrain is well supplied for local needs with 16 Commercial Banks operating and 2 more licensed to open. Believes there could rapidly develop an Arab Banking Centre of great service to Arab Governments, Banks and individuals reducing the need for business to be translated in London or New York markets. Arab banking institutions are especially welcomed. By January 1976 had granted OBU Licences and in December 1975 OBU operators were handling funds in excess of \$US 1.5 billion.

### Bahrain—an offshore banking centre

A magazine devoted to Middle Eastern Affairs recently commented that the most significant decision of 1975 in the State of Bahrain might well be that of the Bahrain Monetary Agency: to offer limited licences to International Banks to undertake offshore banking operations from offices located in Bahrain. If the Offshore Banking market develops as planned, it may well have a profound effect on the international banking scene in creating a new centre for dealings in a large proportion of the free market liquidity now so essential to the financing mechanism of our world to-day. How could it be that as late as 1975, given all the years that world money markets have been developing, a new centre could begin to establish itself, and why should that centre enjoy advantages comparable with existing markets and over and above alternative locations? The answers are numerous; some based on recent developments, others rooted much further back in time. Geographical Bahrain, an island State off the southern coastline of the Gulf, lies within 20 miles of the industrial centres of Saudi Arabia's Eastern Province. The State of Qatar is 30 miles to the east, Kuwait 270 miles north-west and the United Arab Emirates (Abu Dhabi and Dubai) 270 miles south-eastward. Bahrain is at the centre of the Arabian Gulf. Commercial For centuries Bahrain was the centre of the Gulf's pearl

### trade as well as an entre-pôt port.

When the Japanese cultured pearl destroyed the price of the natural variety, Bahrain was fortunate to be the site of the first oil discovery in Southern Arabia. Though by today's standards relatively tiny, oil revenues enabled Bahrain to develop education for boys and girls and thereby establish the cadre of educated Bahrainis now the State's invaluable asset for the administration of Government, commerce and industry. Communications Bahrain's administrative lead over its neighbours resulted in its development as a communications centre: international airlines used it as a Gulf stop-over and staging point on their East-West routes, and international telecommunication operators made it a vital relay point in their world-wide networks. Bahrain also became the operating centre for the regional airline, GULF AIR. Industrial Dependence on oil was reduced by the Government's decision to introduce heavy industry with the Middle East's largest aluminium smelter, powered from the island's extensive natural gas field. Ancillary industries based on the product have been introduced. Now, OAPC's super-tanker dry-dock (the Arabian Ship Repair Yard—ASRY) to be built off the island, introduces another heavy industrial complex. Financial The oil-price increases of 1973 produced a vast increase in every aspect of development in the Gulf Region. Even so, many

### Governments became holders of massive amounts of investment funds, which could only be placed in the short-term in Western money markets.

Troubles in Lebanon made it impossible for Beirut to continue serving as a market for major deposits of oil funds. The time-zone difference was too small to permit a distinction in trading hours. The Bahrain Monetary Agency therefore decided to create a new market to handle the regional service funds. The Agency realised that Bahrain had the following significant advantages:— 1. Freedom from corporate, withholding or personal taxes. 2. Good airline and tele-communications and postal services. 3. A time-zone, allied to working hours, that fitted neatly between Singapore and Europe. 4. A location in the centre of the world's wealthiest region. 5. Well educated manpower. 6. A stable Government and reasonable living environment. 7. A tradition of trading and an open society. 8. Freedom from excessive bureaucracy. It therefore created the Offshore Banking Unit, emphasising the purpose of undertaking non-resident business, creating a market capable of handling, in the Gulf itself, investment of surplus oil funds and insisting that Banks Bahrain branches must be full dealing centres. That International Banks believe in; the concept is

### clear; 30 O.B.U. licences had been applied for by December 1975. That the service is attractive is proven by the fact that \$1½ billion had been handled by the end of 1975.

It is expected that other institutions such as Merchant Banks and Discount Houses will be added to the Foreign Exchange Brokers already establishing themselves in Bahrain to strengthen links with Singapore and London. One important by-product will be the wider international use of the Kuwaiti Dinar, Saudi Riyal and UAE Dirham, in international money markets. Arab investors will themselves be enabled to denominate claims of borrowers in Arab currencies, recognising the consequent impact on interest rate structures. Bahrain sees this move as a logical extension of its traditional and historic role as a service centre, and as a magnet for other activities normally attracted by a financial market.

For more information consult:—



**The Bahrain Monetary Agency**  
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Cable: NAKDELBAHR



## BAHRAIN II

Bahrain's economy is fortunate in having fresh growth sectors to replace the declining oil asset. However, the island is well placed to attract Gulf business, the infrastructure is being improved and the labour force is better trained than that of many of its neighbours.

# The economy

ANY FOREIGNER coming to Bahrain for the first time could easily be forgiven for thinking it is just another oil-rich state. All the superficial elements are there — hectic construction activity, multi-story blocks forging a new skyline, business men and bankers packing into overcrowded hotels, rents and cost-of-living spiralling under the demand of expatriates and a general generation of wealth. But there is an important difference in the case of Bahrain. Although its economy is oil-based, it possesses oil in limited and diminishing quantities. Moreover in comparison with the other states of the lower Gulf its economy is broader-based, its labour force is more trained, its education longer established, and its tradition of trading deeper rooted.

Thus the boom which has been in evidence for the past two years has been due only in part to the rise of its own oil revenues. Equally significant has been the fact that Bahrain stands right in the geographical centre of the major oil producers, enjoying the spin-off in particular from Saudi Arabia and the United Arab Emirates. With its better developed infrastructure, good telecommunications and air transport facilities it has proved that it is the best place to do business from in the Gulf—even though there is less actual business to do in Bahrain than elsewhere in the neighbouring states.

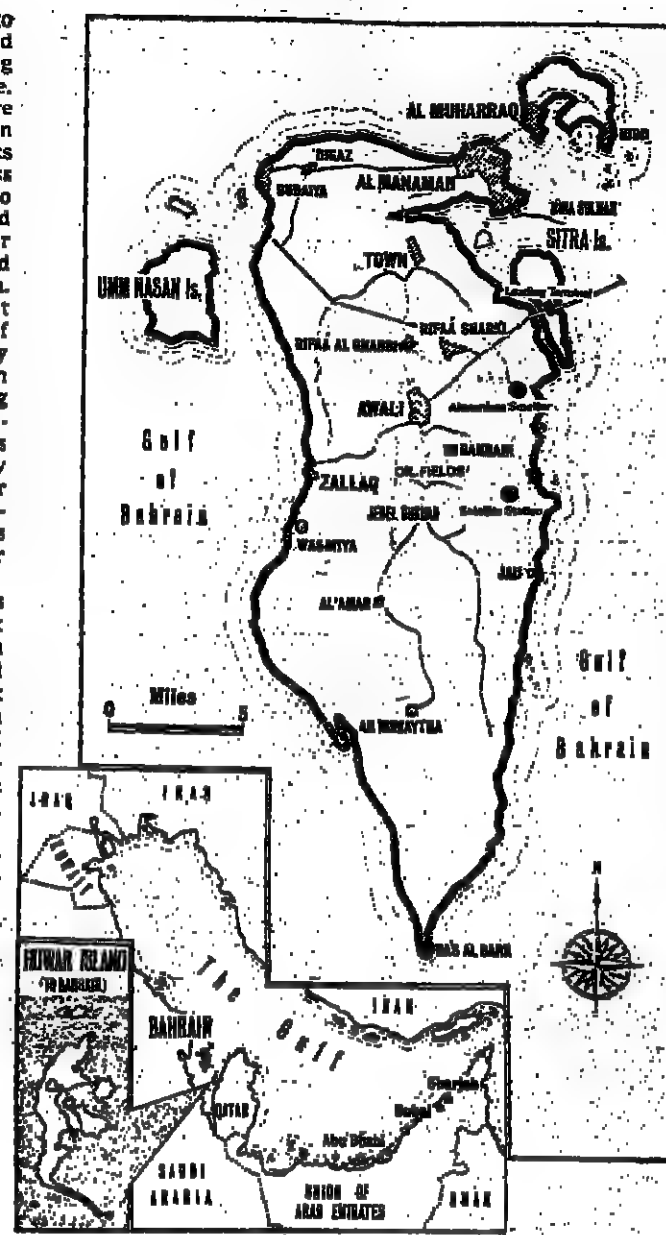
The oil industry remains the biggest single source of income, providing over 85 per cent of total revenues. The industry itself is centred round production from Bahrain's own small onshore field, a joint 50/30 offshore venture with Saudi Arabia, and the Caltex/Bapco "swing" refinery (which, with its 255,000 b/d throughput, mostly processes Saudi crude). The life of Bahrain's own field is limited to a maximum of 20 years and production is now down to 55,000 b/d against a high of 70,000 b/d, and in future increasing reliance will be placed upon the offshore joint Saudi operation which already provides roughly half of Bahrain's total oil revenues.

The Bahrainis whose own oil has been in production since 1932, have been fully aware of this warning asset, and have now established or are in the process of establishing two alternative industrial sectors—aluminium and a dry dock. The aluminium industry is based round ALBA (Aluminium Bahrain), whose \$230m. smelter went into production in 1971. This was the first smelter in the Gulf and was established on setting Bahrain up as an offshore banking centre. Many large quantities of non-associated gas, available—plus exploiting Bahrain's geographic position. Although sales have been disappointing this year due to slack market conditions, the 30 ahead has been given to an extrusion plant, and an atomiser, while a rolling mill is being studied, thus providing the necessary ancillary industries.

At the other end of the industrial picture is the construction of a \$120m. drydock. Bahrain canvassed hard with OPEC to be selected as the site for this joint Arab project. When complete it will be able to handle tankers of up to 350,000 dwt.

But these two major capital intensive projects are almost certainly the last for the moment. The island, which is only 225 square miles in size, cannot really cope with much more large scale industry. In broadening the base of the aluminium industry there are pollution problems to contend with. But perhaps more important is the question of manpower. ALBA, which has taken five years to build up its 2,650 labour force employs almost 5 per cent of the island's total workforce. Any more industries on this scale would involve the wasteful depletion of Bahrain's skilled labour force and also mean importing further quantities of foreign labour. As it is, the South Koreans constructing the drydock number over 1,500. This, in turn puts further pressure on housing and other services. Quite apart from these considerations the Government is anxious to husband its gas resources for existing industry and domestic power needs. So the emphasis from now will be on small-scale projects in the industrial sector.

At the same time new emphasis is being placed upon developing the services side of the economy. Bahrain wants to establish itself as a major regional centre for business and banking operations in the Gulf. In this respect the Government has taken the bold step of setting Bahrain up as an offshore banking centre. Many large quantities of non-associated gas, available—plus exploiting Bahrain's geographic position. Although sales have been disappointing this year due to slack market conditions, the 30 ahead has been given to an extrusion plant, and an atomiser, while a rolling mill is being studied, thus providing the necessary ancillary industries.



### BASIC STATISTICS

AREA:	250 sq. miles
POPULATION:	265,000 (est.)
Income per capita:	\$1,250
FOREIGN TRADE (1975):	
Non-oil imports (to Sept.):	BD183m.
Oil (crude) imports (to Sept.):	BD173.6m.
Non-oil exports (to Sept.):	BD64.1m.
Oil (refined) exports (to Sept.):	BD252m.
Imports from U.K.:	£80.9m.
Exports to U.K.:	£17.8m.
Currency:	£1 = 0.799 Bahraini Dinars

establish itself as a major regional centre for business and banking operations in the Gulf. In this respect the Government has taken the bold step of setting Bahrain up as an offshore banking centre. Many large quantities of non-associated gas, available—plus exploiting Bahrain's geographic position. Although sales have been disappointing this year due to slack market conditions, the 30 ahead has been given to an extrusion plant, and an atomiser, while a rolling mill is being studied, thus providing the necessary ancillary industries.

The decision, announced last September, was the result of careful calculation by the Bahrain Monetary Agency. The agency's calculation went something like this: the whole region is a lender of foreign exchange reserves to the Eurodollar market. Until now this money has been placed with banks in Europe, particularly London, and in New York. Thus Gulf depositors have been forced to do their business outside the region, using outside facilities and outside their working hours. Therefore, by allowing the banks, who are the primary takers of the funds, to open offices in Bahrain then at least some of this business will be done there with the added advantage of Bahrain being half-way between Singapore and London time zones to permit trading in both places.

According to Mr. Alan Moore, the Director of the Monetary Agency, who has master-minded the scheme: "What we are looking at in Bahrain is fundamentally the shorter-term market, where dollar deposits of maturities up to the conventional six months can be placed with branches of international banks operating here. Those banks will in turn use their offices here to finance part of their loan portfolio, especially those loans which they are making to Arab countries in the region." The aim is to establish Bahrain as a centre of equal importance to Singapore whose volume of business is \$10bn., the difference being that Singapore will be biased towards depositing.

Since the scheme was announced licences have been granted to 26 banks to open offshore branches including such blue chip names as Citibank, Chase, Lloyds International, Natwest, Algemene Bank, Société Générale and Kredietbank. There are also six Arab banks, while seven of the banks participating already have

seen a 35 per cent increase in current expenditure, and an almost certain deficit. According to a senior Finance Ministry official "it is becoming more and more pressing to discuss other sources of revenue." This could be either in the form of Treasury bills or via loans raised with the offshore banks. The problem is that the Government, as a matter of policy, is reluctant to consider corporate or income-tax as a fiscal weapon since this would then leave Bahrain out of step with other Gulf states—and erode the advantages, which are sometimes marginal, offered to business in Bahrain.

### Statistics

On the payments side the past two years have witnessed overall surpluses of BD45m. and BD44m. respectively. No detailed payments figures have ever been published but from trade statistics it is clear that there is a sharply deteriorating picture in the terms of trade, the deficit moving last year from BD106m. to BD150m. This is a trend which is likely to continue. However, to counter-balance this, Bahrain has traditionally been able to call on substantial undisclosed inflows of funds from Saudi Arabia, Kuwait and Abu Dhabi and to a lesser extent from Iran. In addition these were boosted last year by capital coming in for the drydock project and a healthy rise in the travel/tourism sector worth some BD8m. This is likely to increase, and the picture should be helped once the world market for aluminium picks up. Sale of current ALBA stocks could boost foreign receipts by BD10m.

Unlike the other states in the Gulf, the boom which Bahrain is enjoying is not entirely due to a hefty injection of funds by the Government. As can be seen from oil revenues and the payments situation, it does not have such funds available. The boom in good measure is due to the injection of private and foreign capital combined with a healthy entrepot trade (30 per cent of imports are re-exported to Saudi Arabia). The absence of large scale Government expenditure—although some may find a disadvantage—does nevertheless act as an important dampener on inflation, and has helped to prevent the economy from some of the distortions of neighbouring states. There is tremendous pressure on rents and wages, but in general inflation has been kept below 25 per cent. Money supply is expanding at around 30 per cent., which is still substantially lower than neighbouring states. (Currency in circulation outside banks, plus sight deposits private residents — M1—increased last year from BD58.7m. to BD78m.)

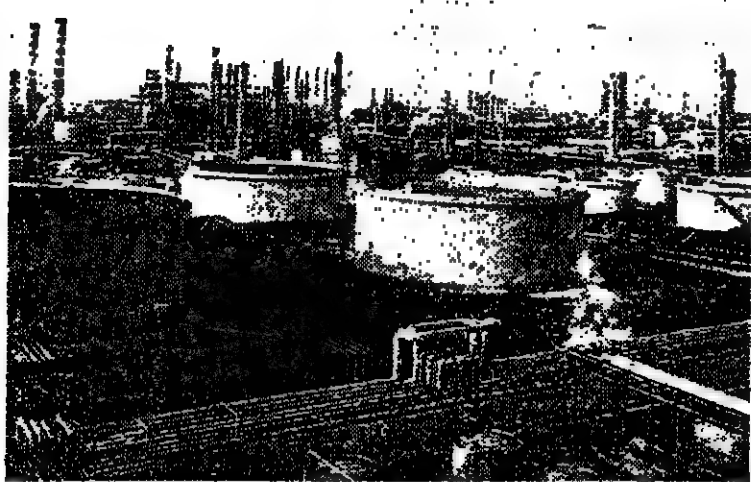
The problems which Bahrain now faces differ in kind rather than substance from those of its neighbours. Its population of 265,000 has a higher indigenous content than any other Gulf state save Oman, being about 70 per cent. But it too has to rely upon expatriate skills. With a population increasing at 3 per cent. a year it has to be careful not to create a situation whereby more labour than necessary is imported against fear of future unemployment. Although inflation is probably at an acceptable level, it will have to be constantly checked not just to prevent overheating but because there are a large number of low income Bahrainis who, despite Government subsidies on essential foodstuffs and power, are suffering from rising prices. The Government also has to be careful not to price itself out of the market as a regional centre for foreign companies. Quite apart from this a sizeable portion of the merchant class will need to learn that making money does not only consist in living off commissions.

But having said this, it would be churlish not to say that Bahrain's economic prospects are healthy. In its geographical position, its welcome to foreign business, its free access to officials, its easy-going accommodation of Islamic and Western life styles, and the willingness of its own population to work, Bahrain has major assets—assets which it is capitalising on and should be able to do much more in the future. This will be particularly the case if the causeway to Saudi Arabia finally goes through. For this project could transform Bahrain's relationship to its rich neighbour into that of Hong Kong to China.

Robert Graham



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# BAHRAIN III



The Ruler of Bahrain, Sheikh Isa bin Sulman al Khalifa (right) with his son the Heir Apparent and Defence Minister, Sheikh Hamad bin Isa al Khalifa (centre) and his brother Sheikh Khalifa bin Salman al Khalifa (left), the Prime Minister.



Mr. Ebrahim Abdul-Karim, Minister of Commerce, Agriculture and National Economy since September and previously Under-Secretary of Finance. Widely regarded throughout the Gulf as one of the brightest young economy Ministers in the Arab world. Mr. Abdul-Karim now holds the vital National Economy and Agriculture posts.



Mr. Ahmed Kanoo, Head of the Gulf-wide Kanoo Organisation, which has its headquarters in Bahrain. One of the most famous merchant families of Arabia, the Kanooos have been trading with United Kingdom on a regular basis for over 100 years. The Kanoo interests lie largely in shipping, marine supply and repair and agency business.

## Key figures in Bahrain



Mahmud Al Alawi, Minister of Finance in the Bahrain Government. He has been controlling Bahrain's purse strings since 1928 and is now in his late 70s. Known as the "father of Bahrain" for his role in instructing many of today's leading lights in the rudiments and refinements of government and finance.



Sheikh Mohammed bin Mubarrak al Khalifa, Foreign Minister of Bahrain since Independence in 1971. Previously in charge of information matters under the British protectorate. A leading member of the "inner Cabinet" of influential ministers.



Mr. Yousuf al Shirawi, Minister of Development and Industry. A leading cabinet member since independence, Mr. Shirawi is known for his great energy and for his two great industrial achievements—bringing the ALBA smelter and OPEC dry dock to fruition on Bahrain's soil. He recently pushed for his Ministry to be broken up into more manageable units; since September ministries of housing, communications and works with electricity and water. Mr. Shirawi is a qualified engineer.



Mr. Mohammed Jallal, a leading member of Bahrain's merchant community who is well known as an agent, contractor, importer and is a former Chairman of the Chamber of Commerce. His companies and agencies cover the whole sphere of Bahraini commerce, with particular reference to vehicle imports and construction.

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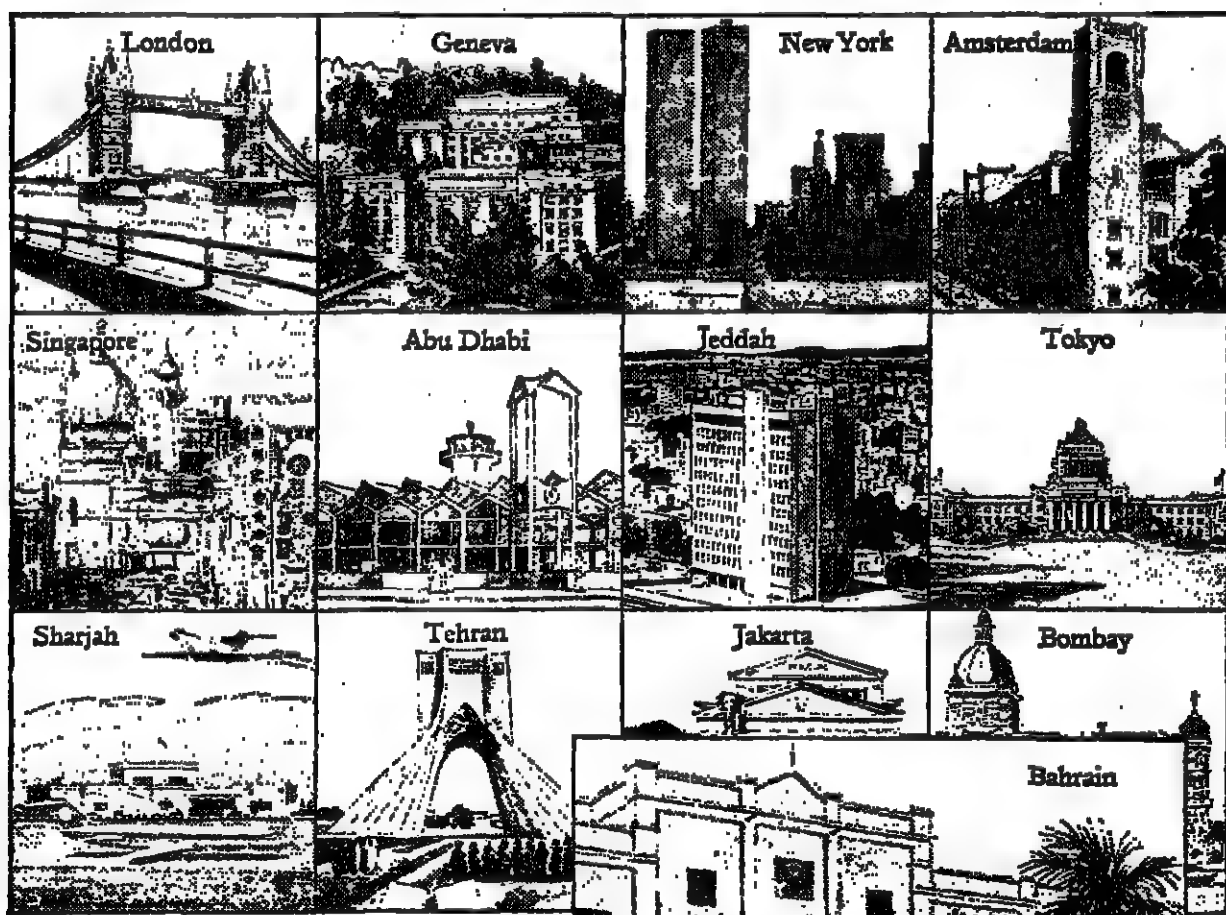
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## BAHRAIN IV

The people of Bahrain see their tiny state as one of the great centres of future expansion for the Arab world. They believe that their island could become the Singapore of the Middle East during the next decade.

# Business centre

IN THEIR very different ways, two major events of the last three months epitomise the direction in which Bahrain is moving—the arrival of Concorde on scheduled air services and the inauguration of the Arab world's first offshore banking system.

It would be churlish to describe the atmosphere in which Concorde arrived as biased, but there was a feeling in Bahrain last month that the island was somehow a fitting place for the airliner of the future's initial port of call. Bahrainis are not smug, nor are they complacent about their island's progress—but they definitely see their tiny state as one of the great centres of future expansion for the Arab world. Their communications, their stability, their sophistication in business and the wide range of services on offer have led them to believe, after careful study that the island could become the Singapore of the Middle East during the 1980s.

The cliché is not unfamiliar—it has been applied to Beirut often enough in the past. And there is perhaps neither a sufficient population base nor tourist appeal to take the current business boom to such a level. But Bahrain is making increasing use of its central location and its educated workforce to further establish its claims as the services centre of the Gulf.

Bahrain has been trading with India and Africa for centuries and with Europe for over 100 years. The British political and military presence through many decades, and the very high level of education reached not merely by the present generation of businessmen but also by their fathers and grandfathers, has given the island a depth of talent which no other state in the region can call upon. There are maybe foreign businessmen who still arrive in the Gulf and expect to find life is all camels and palm trees: they get a surprise when they land at Bahrain—and many of her neighbours for that matter—to find that the Minister they are talking to knows more than they about finance or engineering and learnt it at a better university. As in all probability, did his civil servants.

The talent in government and business is a direct attraction to the commercial visitor, along with which must be emphasised the personal freedom and the tolerance of foreign ways. This extends beyond permitting the consumption of alcohol (banned in Saudi Arabia and Kuwait and restricted in Qatar) and the acceptance of clothing in the streets that would be appropriate for the Kings Road. Bahrainis have been living alongside an expanding expatriate community since the early 1930s, and if most of these have been British and American, that has not prevented them establishing business relationships with people and companies from all over the world.

## Rumbles

Political stability has helped this atmosphere. The hot fever of Nasserism that swept through the island in the late 1950s has long since died down, and the dissolution of the one and a half year old National Assembly in the summer—the state's first move into democracy—has elicited little more than occasional rumbles, to the disgust and surprise of radical elements.

Bahrain has its problems—in the fields of low-cost housing, water and drainage in particular—but the average Bahraini is a peaceable person. This is particularly worth noting after the crisis that has reduced Lebanon to a shell of its former glory.

The troubles in Lebanon have in fact given this small group of islands a great chance to establish a first class centre for that large group of companies whose Gulf business is sufficient to warrant a local presence rather than offices in Cairo or Athens.

The direct advantages include geographical position, in Bahrain, although owned communications and non-existent taxation as well as the factors outlined above. The major disadvantage at the moment is over the availability of office space and accommodation at reasonable prices and in sufficient variety.

Bahrain could scarcely have foreseen the quadrupling of oil prices that led in 1973 to the launching of the Gulf's big boom, any more than it could have forecast Beirut's collapse and an unexpected windfall of companies desperate for a Gulf headquarters. The result has been a boom in property rents

which has left the average businessman gazing at a house in Bahrain for BD150 per month in 1969 (then £135) was renting, is also under consideration for at BD250 in 1975. The same house to-day—set in central Manama—costs BD900 a month, or £1,080 at present exchange rates. Some villas are now renting at BD1,200 a month.

Office rents have quadrupled in a year and a half and are up 70 per cent since August—one square foot of prime office space lets at BD5 per year, so a medium-sized representative office with 2,000 square feet is paying £12,000 in basic rental alone.

The local significance of these rises should not be exaggerated: similar increases have taken place in all the Gulf states. But here Bahrain's ambition and ability to promote itself as a commercial centre runs into the issue of just how many companies are prepared, and able, to pay house and office rents at these rates. So far, the rates are of course a direct response to market forces. The Government, though concerned, has not seen fit to impose any controls—and has as its main concern the erection of suitable housing for poor Bahrainis rather than relatively well-off expatriates.

## Letting

But a great deal more office space is now becoming available and in 1976 and 1977 several hundred more flats will be ready for letting. A judicious lowering of rents would do much, later this year, to keep Bahrain's expansion going. Within the last two years four principal modern office blocks have been completed and are now filled, offering a total of 280,000 square feet of accommodation.

Due for completion in 1978/79 is a further 300,000 square feet of office space in just three buildings, which will also have flats and shops available, and there are numerous smaller development schemes. Typical of the prime prospects letting at around BD5 per square foot is the island's tallest building, the Baluch Tower (still under construction and planned at 18 storeys) and a giant Sheraton Hotel office and residential complex.

Once the rental figures in the Gulf have been digested, Bahrainis feel they have more to offer than their neighbours. And two of the main reasons for this are the excellent air and telephone communications systems.

The airport is considered by regular travellers to be the best in the region, in aspect as much as in function. It handles a clutch of jumbo jets every night on their way to or from Europe and the Far East and is growing numbers of regional shuttle services and international connections by the local airline Gulf Air.

In 1974, over a quarter of a million passengers embarked at Bahrain Airport and more than that number is now estimated for 1975. Aircraft movements are also up some 18 per cent from 1,040 (July 1974) to 1,220 (July 1975), while transit passengers have increased by around 8 per cent.

The airport is now undertaking the second stage of its expansion—a development previously foreseen for 1979. An extension to the western end of the terminal will add some 80 per cent to the existing space, and one of the air bridges at present unused will be moved across. It was originally installed because two such bridges were felt suitable for a jumbo jet, but security planning now requires one air bridge per aircraft: it is being shifted all of 400 yards to provide an extra point of entry.

The extension will provide a big new VIP complex and a larger transit lounge with a large duty-free shopping area similar to that in Dubai. Minister of Development Yusuf Shirawi says that the Stage 3 development of the eastern end of the terminal is now being planned for 1977, though no firm details on size are available.

Gulf Air has its headquarters in Bahrain, although owned equally by Bahrain, Qatar, the United Arab Emirates and Oman. Following the company's 1974 move from being a regional to an international airline, when it began VC-10 services to London and the sub-continent, it has now purchased four Lockheed TriStars.

Current management thinking is to keep the VC-10s which were at one time to be scrapped—these will inaugurate Paris and Amsterdam services in April and will help to thicken up services on the now very strained Gulf links. The TriStars will serve London and (hopefully) Beirut

as well as Bombay and Karachi; informed airline sources indicate that a route to Rawalpindi in 1980 is also under consideration for later in 1976.

Gulf Air's first TriStars start on April 1 is a luxury configuration of only 212 seats, while 275 can be carried in normal IATA comfort. First class passengers will have a telephone link with the ground, as well as a bar and boutique. The need for larger jets has been dictated by Gulf Air's soaring traffic figures—the financial year 1973-74 saw 448,000 passengers carried, while an increase of 43 per cent was made in 1974-75, to 652,000. Projections give over 800,000 in 1975-76.

Bahrain's telephone service, run by Cable and Wireless, excited occasional fiery letters in the regional Press—the foreigner who has tried to wrestle with the problems of Beirut, Athens, Cairo and even London finds it hard to see what they are complaining about.

The cost of calls has not gone up since 1955 and the connection charge is, as in 1949, BD2,500. A call to London can be placed at a quiet time in five minutes or less and in business hours rarely takes more than 30 minutes.

Bahrain's Earth Station, first in the Arab world in 1969, has nevertheless been under some strain, and by the end of 1976 the 182 circuits available will have gone up to 252, with an extra 98 still available for transit international traffic.

Bahrain is linked with Qatar and the UAE by broad-band microwave links, and its direct dialling system to Qatar will be extended to the entire UAE in July when the UAE's own equipment is ready and to Kuwait by the year-end. Similar links now handle direct-dial telex calls to most of the Gulf and to Saudi Arabia, but telephone calls to Iran and Riyadh can take hours or even days due to lack of equipment at the receiving end.

Future plans provide for worldwide STD in 1977 and special new call registration equipment is being tested for installation by local companies so that overseas automatic calls can be monitored.

## Exchanges

Internally, some 14,000 lines (28,000 sets) serve the island with demand still rising and just about being met. Some areas are suffering delays, however, which will not be met until new exchanges at Isa Town, Rifaa and Muharrag are introduced in mid-year. Over BD15m is being spent on new exchange equipment and lines in 1976 and 1977 as part of a big five-year plan: but discussions for a Government stake in telecommunications could affect this.

The most immediate pressure is likely to be on the telex system, however—with the large number of "Offshore Banking Units" (OBUs) that will start business during the coming 12 months.

Having carefully analysed the country's status and current commercial position in the Gulf, the Government launched in October a banking plan carefully designed to attract to Bahrain the money and prestige it has long desired, while avoiding the somewhat shady reputations held by other "offshore" tax havens.

If this plan is a success present indications now lead Government to believe, it because enough hard-bankers also subscribe view that Bahrain is ingredients to become a commercial centre in its right.

Altogether 27 major national banks have been approved by the Monetary Agency to set shore operations in Bahrain. They will in effect offer a sale money market to states on their own door it will no longer be an unsociable hours with New York, London and sophisticated petrodollars.

## Offshore

Major institutions include First National City and Algemeine Bank Netherlands—already on—Chase Manhattan Bank, Canadian Imperial Bank, Banque N de Paris, National West, Midland, Chartered and Hongkong Shanghai offshore bank open their doors in Bahrain. Regional interests include the Bank of Bahrain, Kuwait, United Bank of (London) and Bank Iran.

BMA Director-General Moore, who won the man's confidence and when he put together the 1971 on behalf of Will Glynn's, hopes that some will be operating by the end, with some \$10,000 handled.

The banking scheme Bahrain firmly on the world's financial map is already on the map of traders dealing in the field of marine repair, engine rewind are as well known as commercial benefits.

But the banking plan move that has caught financial world's eye. The spin-off from it will deeper consequences reliable analysts here than any of the other ventures entered into in years.

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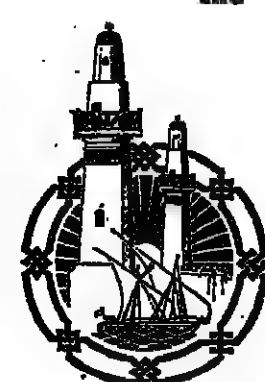
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Although its own oil wells are likely to be the first in the Arab world to become uneconomic, Bahrain is still well placed to profit for a long time to come from the oil industry.

## Oil production

IN WAS the first Arab to produce its own crude oil in 1932. Despite a reduction in crude oil, it also looks likely to become uneconomic. It will not paint a black picture of a Bahraini hydrocarbons industry: it has a half share in an oilfield that is intensively to its income; it continues to pipe and crude oil from Saudi vast east coast fields; Khuff gas fields in the island have a 100-litre forecast for them. Its first oil concession was in 1925 by the her of the present ruler. It is a group. But rights were transferred to one half of the Calx in 1923 and the Petroleum Company was incorporated in under pressure from the authorities, who saw wealth slipping away. In Canada, and an agreement was made. A majority of expatriates should be British. The first crude was sold in December, 1934, at a small refinery, of 1936-37 on the east in 1936 the Texas Company a half share in Bapco, as been owned there. Calx until the Bahrain ent took its first hold the company of 25 per 1974 and 60 per cent.

### Page

n's oil lies mostly in zones between 1,800 and 2,000 feet below the surface. Reserves soon declined, long ago as 1937 gas was commenced to satisfactory production in practice, development field was completed 20 years ago, though new wells are yearly to supplement drainage locations. A new workover technique has never been used in Bahrain (1973) and has gone down about 55,000 barrels in 1975. The quadrupling in late 1973 will extend the economic

life of the field, but Development Minister Yusuf Shirawi sees production declining steadily at a rate of about 3 per cent a year. "We'll stop when it's no longer economic," he said last week. "At present prices we can continue to produce satisfactorily until 1985—but there is no denying that our field is gentle. There will be a gradual decline, then a very sudden drop at the end."

The Government's whole industrial strategy during the last ten years has, of course, been built around the knowledge of the field's eventual closure. But the success of the refinery—into which the Government, for economic reasons, is not taking a shareholding—will still bring regular financial benefits. Apart from Bahrain's own crude, the refinery has grown from humble beginnings to handle over 250,000 barrels of crude a day and an improvement scheme will add 10 per cent to this in 1976. More than three quarters of its throughput is pumped by sea and land lines 34 miles from Ras Tanura in Saudi Arabia. This oil was in the past part of Calx's share in the giant Aramco consortium owning the Saudi fields. Saudi Arabia's 100 per cent takeover of its own oil leaves Aramco with a management contract, but the Bapco refinery is still needed to help handle the large quantities of Saudi crude that must daily be turned into gasoline, LPG, naphtha, jet fuels, diesel and heavy fuel oils. Payments are made on a fee basis (six cents per barrel) for this refining and tankers load with refined fuels at the long oil company jetty off the east coast.

World demand for low sulphur fuels has led to the continuing development of the refinery into hydro-desulphurisation. Much of its basic equipment is now antiquated, but the Low Sulphur Fuel Oil project (LSFO) commissioned at a cost of \$60m. at the end of 1973 has been an outstanding success. This refinery can now manufacture 50,000 barrels of fuel oil daily with a sulphur content of just 0.5 per cent—and the premium charged for this service is considered well worth paying by international clients. The major petroleum contribution to the State's income, however, will come from

Bahrain's income from Abu Saifa field. This small offshore field lies entirely within Saudi Arabia's offshore boundaries, but its production of around 60,000 barrels daily is split 50/50 between Bahrain and Saudi Arabia according to a generous agreement arranged with King Faisal back in 1972. Bahrain gets some \$5m. yearly from its refinery throughput fees—at present rates Abu Saifa income will total over \$120m. a year, a significant figure in a country whose whole national budget in 1972 was less than this amount. Government oil sources say that Abu Saifa's maximum output is unlikely to exceed the present figure, but if this can be held steady the income will be a major source of funds during the coming decades.

Bahrain's natural gas resources are the other major energy factor, but the Khuff gas field is not so extensive as

originally hoped. At one time, great expectations were held for the Khuff zone—first drilled in 1938—and its high pressure gas. A 20-year contract was signed with the new Aluminium Bahrain (Alba) smelter in 1968 before its construction, and of the 250m. cubic feet now being produced daily, more than 40 per cent goes to the plant.

But careful assessment of the six wells drilled to date has caused a lowering of estimates, and plans to use Khuff gas for a wide range of industrial developments have had to be dropped. "The gas will be used for the smelter and for future power generating station, but not for any other purposes," Mr. Shirawi stresses. Reserves are now reliably estimated at between 8 and 11,000bn. cubic feet. The field will continue to play a large role in running the power-intensive smelter, and government power and distilla-

tion plants—each of which would either be uneconomic or a great charge on currency reserves if the gas were not available.

Bahrain has been as interested in the downstream oil market as larger producers, and is a shareholder in the dry dock being built off Muharraq Island (5 per cent.) and in the Arab Maritime Petroleum Tanker Company, as a natural result of the former. But other downstream developments are unlikely with such a small oil output.

### Control

Greater control of that output, however, is still very much an issue. The 60 per cent share in Bapco approved by the National Assembly in mid-1975, and back-dated to January 1 of that year, gives the State a majority holding in its oil. But senior Government sources

say Bahrain will await developments by other oil states in the area now implementing full takeovers before moving further. This is a reference to Kuwait in particular: if Kuwait can successfully market its own oil on its own terms, Bahrain may well follow suit on a 100 per cent takeover. Otherwise, like Abu Dhabi, it may decide to take 60 per cent. at the present—after all, on the 40 per cent share it does not own, it still gets a 55 per cent income tax and 12.5 per cent royalties tax, and it has to do none of the hard marketing work in the present situation of world oversupply.

Shirawi and the Cabinet are reckoned shrewd enough to prefer counting the pennies rather than listening to nationalist sentiment on this as on most other issues; on any State nationalisation bid, pragmatism will rule the day.

S.K.

The building of a smelter, originally regarded as a useless prestige project, has established the island as a force in the world aluminium market.

## Aluminium

THE PROSPECT of an aluminium smelter was regarded throughout the Gulf as a joke when Bahrain began its studies in 1968. It was categorised by many as one of those useless prestige projects initiated in so many developing nations.

But Aluminium Bahrain (ALBA) has triumphed over many vicissitudes; has been able to establish itself as a force in the world aluminium market and has proved that all the original reasons for building a smelter in the island were not only sound eight years ago—they are even more valid to-day.

Aluminium smelting is both capital- and energy-intensive: the realisation of this led Bahrain's Government to its initial study of the idea.

Another factor that led to its initial interest was the employment prospects for an increasingly skilled workforce—which would face serious problems when the British forces pulled out of the island in the early seventies.

Traditionally, cheap power has been hydro power, but the depletion of hydro resources in Europe and the U.S. and the rising costs of their construction have both worked in favour of cheap energy sources elsewhere. Here again Bahrain felt that its Khuff gas reservoir, untapped since its discovery in 1938 except for limited oilfield injection purposes, would provide a suitable economic base for a smelter.

have given ALBA advantages few other smelters possess.

The aluminium industry in Bahrain was launched in 1971 with the Bahrain Government owning just 17 per cent of the shares. ALBA has been a production company only—the international partners individually marketed their own share of production, with the Bahrain Government's portion being sold by one of the co-owners on its behalf. ALBA is now set, however, to exploit its natural advantages still further, by moving from this concept to being a self-contained producing and marketing organisation.

The announcement in December that a commercial manager was to be appointed was the first public statement of this, but it was in effect inevitable once the Government had become owner of over half the smelter's equity earlier in the year. Its shareholding had grown to

just over 40 per cent, as several of the founding partners sold out in 1972-73, depressed at the low price levels then obtaining for aluminium. The acquisition of the shares of Sweden's Elektro-Alumina AB last summer brought its holdings up to 52.4 per cent, and the Government once began to plan a full marketing department for the plant.

Last month two further partners—Amalgamated Metal of London (17 per cent) and Western Metal Corporation of the U.S. (8.5 per cent)—sold their shares to the Government, which now has a substantial 77.9 per cent stake in its own aluminium industry. The remaining foreign partners are Kaiser of the U.S. (17 per cent) and Breston Investments of West Germany (5.1 per cent.).

It is significant that the two surges in share sales to the Bahrain Government have both

come at times of low metal prices in this notoriously cyclical market. Aluminium producers philosophically cut back production in the past, while the workers—not quite so philosophically—have faced unemployment. Producers would meanwhile take the best price available for the stocks they had.

Such behaviour would be politically unacceptable for ALBA, even if the smelter management were not taking a longer term view. Most producers, learning from the lessons of the past, have begun stockpiling metal against the day when the world recession ends. In ALBA's case production proceeded unabated and some 50,000 tons of metal were stockpiled late in 1975 as orders from its main customer, Japan, fell off.

Such trends stress the capital intensive nature of production, hence perhaps the wish of several of the partners to sell. But the Bahrain Government has been happy to buy these shares—for both the officials involved and the ALBA management believe that the long awaited world economic upturn will set prices moving sharply by the end of 1976.

"We have no plans for expansion," Industry and Development Minister Mr. Yusuf Shirawi said last week, "for ALBA this is a time of consolidation. The market has been sluggish recently, but within a year to 18 months we expect to see things really moving again."

Mr. Shirawi sees great benefits in the future from downstream activities based in Bahrain. There is already an atomiser plant for paints and now Alusuisse of Switzerland are to construct a substantial aluminium extrusion plant. Other plans for the future also include an aluminium rolling mill.

ALBA has overcome the teething troubles associated with any large industrial project breaking new ground in a developing country—safety problems, occasional labour difficulties and attaining adequate production levels. Possibly the best evidence of this is the amazing recovery during December and January from a rectifier fire that shut down one half of the smelting pots. ALBA has

a total of 456 pots and the fire caused an emergency of serious proportions. First the inevitable production shutdown had to be carefully controlled and then, when the power supply was again available, the pots had to be brought back into production as fast as possible.

ALBA managed start-up on 210 pots within 24 days, practically a world record for the industry, with night and day shifts using both Bahraini and expatriate workers at all levels. The fire cost ALBA some 5,000 tons of metal production. But the management say they were so impressed with the level of morale among the workforce that they regard response to the incident as most encouraging for the future.

### Training

Safety and training programmes have also proceeded apace, and the accidents—few but ghastly—associated with the introduction of a new technology to a previously agricultural workforce have drastically declined.

Training for the local labour force has been a priority from the beginning and ALBA now spends some BD500,000 yearly on training: in 1976 it will spend a further BD500,000 on improved facilities and equipment. The success of training over the years is shown by the fact that some 2,300 Bahrainis now work for ALBA, with only 300 expatriates. ALBA's major asset is this increasingly skilled workforce and the home grown technology it has developed.

ALBA's only short term problem is in riding out the present world depression, which it is well equipped to do with the much increased Government shareholding. In the past, 95 per cent of sales have gone to Japan, and the lack of a diversity of markets has perhaps accentuated the downturn in off-take. But the setting up of a Bahrain-based (and Bahrain-oriented) sales and marketing organisation coupled with the coming world revival should put the smelter back into a first class position.

Additionally, as one Government minister always says, even if the metal is only sold at a profit of one fils (a tenth of a penny) a ton, ALBA is still feeding 5 per cent of the families in the island.

S.K.

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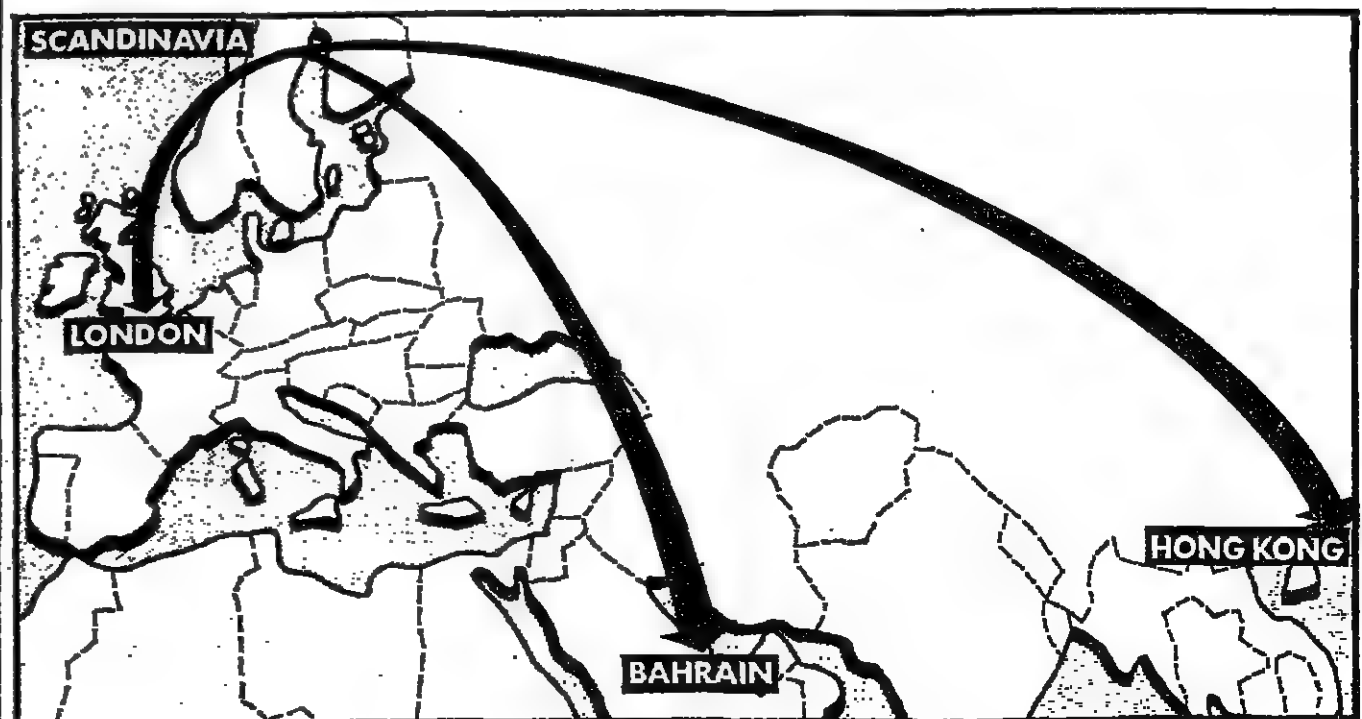
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فكانت من الأعمال



# BAHRAIN VII

Vocational training is high on the list of Bahrain's priorities. Although labour is plentiful, trained workers are not, and there is still a reliance on non-Bahraini skills and expertise.

## Manpower

THE most important 35-40,000 but it must be remembered that women as yet form a minute part of the working population. Current estimates suggest that for every working Bahraini there is one working immigrant, giving a total estimated labour force of 70-80,000, and if the number of women who could work, did so, it would push that number to over 100,000.

However, numbers alone are not sufficient to attract those services industries Bahrain wishes to see in the island or to cope with the country's plans for further industrialisation and its present development boom generally. There has been free secular education in Bahrain for over 50 years now and increasing numbers of the population have been taking advantage of it. The levels of education are primary, intermediate and secondary, which level also has technical and commercial streams as well as the conventional arts and sciences.

There is also the Gulf Technical College which was established in 1968 and now training at the seams, cater for a relatively low at around 1,100 Gulf and other

Arab students following technical, engineering or commercial studies. Ambitious plans for this college are being discussed, and a first stage of a ten-year development plan has just been approved, the construction of a new business administration block, costing the Bahrain Government in total around BD1m. (£12m.). This, it has been suggested, is the first step towards the creation of a university, though in the short and medium term college programmes are likely to remain linked to manpower needs.

### Technical

Additionally the Saudi Arabian Government confirmed at the end of January that it would finance the building of a technical institute near the Gulf Technical College. The estimated cost would be BD13m. and it is proposed to offer secondary technical and commercial courses (boys only) for an estimated number of 1,600 students by 1979. This would leave the Gulf Technical College free to upgrade its own courses towards degree standard.

This educational structure had in the pre-oil boom days made Bahrain a net exporter of labour which situation has now been sharply reversed. The country's plans for further technical training of Bahrainis was given an added impetus by the influx of skilled and semi-skilled labour. This could have upset the social balance if Bahrainis were not seen to be getting their fair share of skilled and well paid jobs. So after a study by an ILO expert (following on a Ford Foundation tome) the Government decided to create a High Council for Vocational Training which is composed of commercial, industrial and labour representatives as well as the ex-officio Government representatives.

National Advisory Councils for the various industrial and commercial sectors will be set up, the one for the construction industry (where the vocational training need seems most urgent) has already come into being. It is hoped that Bahrain employers, whether national or expatriate, will become wholeheartedly involved in the vocational training plans to the extent of sending workers on

the payroll for full time training progress in stages, while employed, towards the standing of a trades or craftsman. Three of the country's major employers already have extensive training schemes. These are Gulf Air which employs some 5,000 in the total group, over half on the airline, the interests; BAPCO, the Bahrain oil company in which the Government (the largest employer of all) now has a 60 per cent stake, which employs some 4,000 people, 90 per cent Bahrainis; the ALBA, the aluminium smelter and original spearhead of Bahrain's industrial ambitions, which employs some 2,650 of whom about 300 are expatriates.

Arab nationals requires a high degree of fluency in a foreign language, again mostly English, which places a double burden on the student or trainee. It is very much emphasised by those involved in vocational training in Bahrain that this should be given "in the language appropriate for the programme of 'Bahrainisation' in 1984. ALBA had to start from scratch when it was founded in 1968.

Retaining skilled labour is

now becoming something of a problem for the early emigrants. Whereas in the early 'sixties BAPCO used to lose around 4 per cent of trained personnel a year, now with the boom in progress, the figure is nearer 10 per cent—and these are not all industrial workers, some clerical go too. As the costs of training are high—the company estimates it spent around \$35,000 on just one of its now highly placed technical men—this causes some distress.

The manpower problems facing Gulf Air are slightly different. At the same time as growing from a local service to an international airline in a very few years, increasing staff by 500 per cent. in the process, it also tries to implement a policy of "Arabisation" where possible.

Outside Bahrain the company has some 18 Gulf nationals training to be pilots at Hamble, another two on conversion training to different aircraft and it expects to send about 30 a year for the next three years to Perth to train as aeronautical engineers. On a more mundane level it has around 100 people learning English in Bahrain as well as a great many on general training courses associated with airlines.

These problems of sudden growth in manpower plus the need to train Arab nationals in the high technology and complex industrial skills of the Western world, are also imminent at ASRY, the Arab Shipbuilding and Repair Yard based in Bahrain which is physically due to open in 1977. Then it should be employing some 1,500 people, mainly from Bahrain but also from the

countries of the other Arab shareholders. A temporary training centre has been opened in Muharraq (from where the causeway goes to the dock) and by the middle of this year the definitive training school will be in operation with a capacity of around 250-300 trainees. Intensive training programmes will also be organised for middle management, it is estimated that 16 per cent of the managers will be Arab initially and that the whole company will be 80 per cent staffed by Arabs within ten to 15 years.

The impact of these large scale industrial activities, and that of the increasing service sector, could put a strain on the present social fabric of Bahrain should individual Bahraini workers come to feel that they are losing out. Over 50 years of education have given Bahrain the Gulf's best educated labour force but also its most independent minded. Last year there was sporadic industrial unrest, with ALBA as a particular target.

Although all seems quiet now, it is the possibility of unrest through discontent that makes the vocational training programme, along with those sponsored by the large industrial and mercantile companies, so extremely important. And equally important will be the new legislation due before mid-year, on labour relations and social security. As Bahrain progresses firmly towards the goal of a modern industrial country, the ordinary Bahraini must be convinced that his place in this new society is both secure and comfortable.

D.T.

## Import

FROM PREVIOUS PAGE

for British exporters Dhabl, Dubai, Oman, Qatar and Kuwait, is on a much smaller scale. Dubai, taking BD37m. worth of goods from Bahrain comes second in the list to Saudi Arabia, followed by Kuwait.

The major industrial trading partners of Bahrain are the U.S., West Germany, Italy and Japan. Australia is probably the most important single problem did hit Bahrain sources of food, in particular chilled and deep frozen meat, port tonnage probably and China is coming up as a by much less than a supplier of textiles, clothing,

BAHRAIN TRADE PATTERN

1973	% in	1974	% in	1975	% in
BD 000	crease	BD 000	crease	BD 000	crease
127.8	28	176.9	38	240.0*	36
000	% of	000	% of	000	% of
total	total	total	total	total	total
17.8	14	31.7	18	36.0*	15
24.1	19	23.7	15	41.0*	17
5.1	4	8.3	5	11.0*	4
3.9	3	5.7	3	10.0*	4
15.1	12	23.2	13	27.0*	12
7.6	6	11.2	6	15.0*	7

Statistical bureau. \* Estimate.

It peaked towards footwear and low unit price of that year to about household items.

Japan has a particular importance for Bahrain as it was the principal buyer for the country's aluminium during 1974. It took nearly three-quarters of production, over a third of Bahrain's total exports of BD71.7m. Exports to Japan were valued at BD25m. in 1974, but by the first half of 1975 the figure had only reached BD10m. and subsequent monthly figures suggest it may not total much more than BD15m. for the year. This is partly due to the restraint on Japanese metal buyers as well as the deliberate diversification of market by ALBA and the stockpiling of some 60,000 tons (nearly six months' production) until the metal price should recover.

The principal imports of Bahrain, after food, are textiles and clothing, iron and steel for construction, transport equipment and machinery of all kinds. West Germany and Japan as well as Britain and the U.S. are big suppliers of transport equipment. In 1974 Japan took the lead, illustrated perhaps frivolously by the fact that many people in Bahrain now have the problem of identifying their white Datsun from among all the others. While West Germany and Italy are big suppliers of textiles and furniture to the up-market shops, to some degree is the U.S., Japan and China seem to dominate the souq market for textiles (Polish textiles are noticeable too) and China is increasingly seen to be supplying low priced household items, cheap crockery, cookery vessels and basket work, in addition to clothing and footwear.

The inroads that Chinese goods are making on the Bahrain market—the value of Chinese imports has trebled over the past five years while the Bahrain import market value has just doubled—could be interpreted as the beginning of a serious second wave Far Eastern presence in Gulf markets. Already the South Koreans have won multi-million dollar contracts in about two years of intensive marketing of their contracting abilities.

D.T.

Increasing the cargo capacity of the inter-airport on Muharraq is under discussion. It has seen a steady air freight over the years. The total cargo handled, both import and export, in 1972 was 5m. kg.; it rose to 8m. kg. in 1974. The three cargo bays of accommodation for eighters has been as Bahrain is in used as a trans-point.

me of Bahrain's trade with neighbouring Gulf states, steadily increasing, that with Saudi Arabia and imported mainly food items fruit and vegetables. Bahrain's trade with Gulf states, Abu



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## BAHRAIN VIII

Bahrain's infrastructure is currently undergoing a thorough overhaul. Power and water supplies are being stepped up, sewage treatment improved and ports developed.

## Infrastructure

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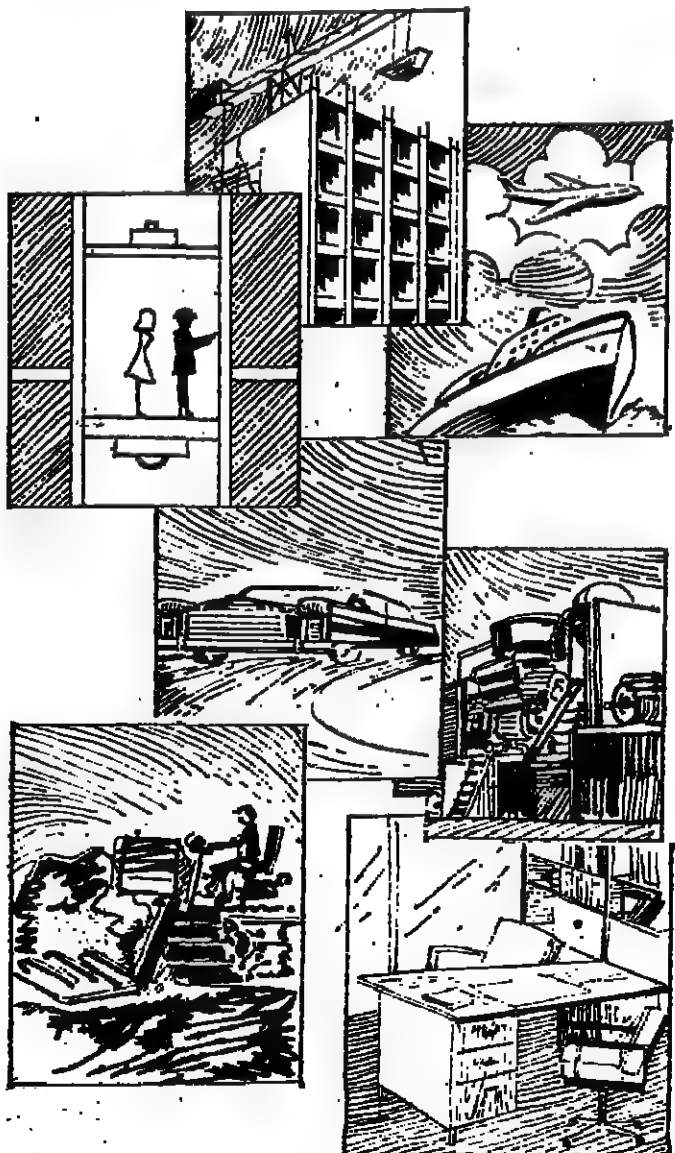


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THE POST-1973 boom in these islands has caused the Ministry of Development and Industry to drastically revise its plans drawn up in 1970-71 for what was then thought would be a more leisurely growth of population.

Statisticians, after the most painstaking calculations, have now come up with the startling figure that Bahrain's population is likely to reach 580,000 by the end of the century (present population is about 260,000).

Much more concentrated activity is now essential in power, water, sewerage and the development of the airport, the harbour, roads and the projected causeway to Saudi Arabia.

To revise the power requirement, The Ministry of Public Works, Electricity and Water has engaged the French firm Sofrelec, who are associated with Electricite de France to review future electricity and distribution needs until 1985.

Preliminary results of their study indicate that Bahrain will need installed capacity of 400 MW in 1980, 900 MW in 1985, 1,200 MW in 1991 and about 2,000 MW in 2000 AD. Last summer there was a total installed electric power capacity of 150 MW at the municipal power station at Juffair and the new Sitra Power and Water Station combined. Peak demand last year was 145 MW. By this summer it is hoped to increase installed capacity to 220 MW by operating a second unit at Sitra plus two new gas turbines at the capital's twin town of Muharraq. Anticipated maximum demand this year is 195 MW, an increase of 30 per cent over last year. The plans of 1970 had predicted an annual increase of 10 per cent only.

## Demand

To cope with the growing demand in the next four years, the Sitra Power and Water Station programme has been brought forward one year for its third and fourth units.

When the first projection was made, the target of 200MW was to be reached in 1980. It will,

in fact, be reached this year—five years ahead of time.

Plans are now in being to construct a third power station to keep pace with future demands. The biggest problem, however, is the distribution of power once generated, and this is a major part of Sofrelec's assignment.

Bahrain is lucky in that unlike most other Gulf states it has always enjoyed a constant fresh water supply borne through natural aquifers from Saudi Arabia. But already population expansion has caused a serious drop in the ground water level and increasing salinity in the aquifers.

It is for this reason that the sea-water desalination plant at Sitra was established. It is designed for a total sweet water production of 20m. gallons per day. This is to be blended with the aquifer water to an acceptable ratio and then distributed through the system.

Salinity is now in the region of 3,000 milligrams per litre but with the desalination plant in operation this is expected to be reduced to 1,200 milligrams per litre. Consumption is at the high rate of 270 litres per head per day.

Sitra's first desalination unit is due for commissioning in May and will produce 2.5m. gallons per day. This will be blended with natural water at a point in the centre of the island and distributed to the communities of East and West Rifas, to Lis Town and to various villages including Sitra itself.

The second unit of 2.5m. gallons per day is due to be commissioned in September and water will be pumped from Sitra along the new causeway linking the plant with the port area of Umm Hassan where it will be blended. This will enable good water to be supplied to Manama, the capital, by the summer of 1977.

Water distribution, to be completed by 1978, is to cost B307m. Consultants for water distribution are John Taylor and Sons of U.K. A project contract for machinery has been awarded to K.S.A. of Germany and one for asbestos piping to the Eternite Company. Coupled with the water pro-

ject is an ambitious sewerage system. After four years of detailed study, construction for the treatment system for Manama and Muharraq is expected to begin in the latter half of this year. The present drainage network in both towns is considered a health hazard, particularly in the narrow confined areas of the souks (bazaars). The urban population of these two towns is already estimated at 185,000, a big problem in itself, but it is calculated that the quantity of sewerage requiring treatment by the year 2008 will be 165 megalitres per day. Luckily sewerage here is of a domestic nature and there is absence of large water-consuming industry.

## Sewers

A system of trunk gravity sewers serving both Manama and Muharraq has been planned in such a way as to minimise congestion and disruption of community life during construction. Sewers will be laid along ring-roads on the newly reclaimed foreshore. Ten major pumping stations are planned for the foreshore area and there will be 20 smaller stations.

A Water Pollution Control Centre is to be built on Tubli Bay to the south of Manama to treat all sewage from the area. In the first stage of the scheme, sewage will be treated to a standard suitable for discharge to the nearby sea, but the construction programme includes the addition of a tertiary and disinfection process so that the effluent can later be transferred to agricultural land. Consultants are T. D. and D. M. Watson of U.K. and the Project Engineer is a Swede, Mr. Bjorn Nilsson. The first stage of the sewerage project is estimated to cost B30m.

When Bahrain's International Airport, the most efficient in the Middle East, opened in December, 1971, the terminal building had been deliberately designed so that it could be expanded in any direction to accommodate increasing traffic and with the minimum inconvenience to passengers while work was going on. The airport's second phase is now nearing completion enabling four

Jumbo Jets to unload passengers direct through air-bridges, simultaneously, and with much increased terminal building space. A third phase begins early next year with the provision of a cargo apron and cargo terminal — coupled with a further extension of the passenger terminal.

The present boom has seen all Gulf ports, with the exception of Dubai, suffering a heavy congestion of ships waiting to unload. To-day, the unloading delay at Bahrain is about 20 days, a short period compared with some other ports where delays of 70 and even 110 days have become chronic.

Port expansion here has, however, become a priority. The existing five berths are to be increased by a further six, making 11 in all. To these will be added additional transit and storage sheds. Tenders for the main work are now out and return is awaited this month. Total cost is estimated at B440m. to B450m. and the project is to be completed by 1979. As cement is constantly and urgently required for the construction industry, plans are now being studied for the building of a special cement unloading jetty near the end of the causeway to the ASRY project.

Earnest hopes are centred on the building of the projected causeway linking Bahrain to the Saudi Arabian mainland and the international highway system. This will very appreciably ease import hold-ups. For instance, at Qatar, now the terminus of the Trans-Arabian Highway which links up with the Trans-European Highway, about 85 per cent of imports now arrive overland.

Saudi Arabia has undertaken to build the causeway and the stage now reached is that a joint venture firm, Saudi-Danish Consultants, is still working on a study for the best alignment taking into consideration such factors as depths, tides, currents,

oil-spillage and the impact on the marine environment. The Consultants are due to submit their study within the next few months. It will then be up to the Saudi Arabian Government to decide when work will begin.

Bahrain, with an area about the same size as the Isle of Wight, does not have a road where the Saudi causeway building problem of anything like the magnitude of others obviating any potential that have to be faced. The out-neck.

The only future elaboration of the network envisaged along main highways roads cut around Mana traffic congestion during hours admittedly caused hours.

Ralph

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Bahrain's new shipbuilding and repair yard is due to come into operation in 1977. Korean expertise and labour are being used for this dock which, when complete, will be able to accommodate very large crude carriers.

## Dry dock

THE ARAB Shipbuilding and Repair Yard (ASRY), now well advanced, is the first pan-Arab industrial venture, undertaken by the Organisation of Arab Petroleum Exporting Countries, with seven members participating. It is claimed that it will be one of the world's most up to date, efficient and well-sited dry docks designed to cater for very large crude carriers (VLCCs).

Pre-opening costs are now officially estimated at \$280m., a huge advance on the original estimate of June 1970 when the OPEC Ministerial Council decided to proceed with the project.

Located as it is in the heart of the world's major crude loading area, the chances of the dock eventually becoming viable commercially seem reasonable. ASRY might be thought to have got off to a late start. It was not until March 1972 that Sir Alexander Gibb in partnership with the Portuguese company Profabril, were appointed consultant engineers. They studied the optimum size of dock in relation to future VLCC dimensions and recommended a dock capable of accommodating vessels up to about 450,000 DWT.

Lisave of Portugal, the largest and most experienced VLCC repair yard in Europe, has signed a management contract for the operation of ASRY, thus providing a high standard of international expertise.

Construction of the project began in August 1974 when the Dutch company Falco, specialists in dredging and reclamation, moved in to raise from the sea a seven kilometre long causeway ending with an artificial island of 450,000 square metres, out of which the dock basin has been carved. The causeway begins at the fishing village of Hidd at the tip of a thin promontory at Bahrain's north-east corner and runs along a reef to a point close to a natural water depth of 12 metres—more than adequate for VLCCs.

Causeway and dockyard area are now ready and the dock

basin, a vast cavity 375 metres long by 75 metres wide is in the final stage of de-watering for which the Portuguese company of Cavaco is responsible.

Viewed at its present stage, it would seem impossible that the dock could be finished by the target date of July 1977. But an observer might well not realise the dedication, the enthusiasm and the capacity for work of which the South Korean company of Hyundai, who last October won the actual construction contract worth \$150m., is capable.

Mr. Majid Jawad Al Jishi, chairman of ASRY and also Bahrain's Minister of Public Works, Electricity and Water, says that the Hyundai Group won the contract by a very wide margin. Competitors included Tarmac, John Howard and Philip Holzmann of West Germany who are constructing Bahrain's new power-house and desalination project. Mr. Jishi says, "We were much impressed by Hyundai's presentation of their tender, their efficiency in negotiation and their obvious ability to mobilise the resources of the companies in their group. They have already demonstrated that what they can do in a single month is almost incredible."

Mr. Jhon Shyn Kim, 40, who is managing-director of the Hyundai effort here says: "We not only think we will meet our deadline. We will and we must. Hyundai hope to expand in the Gulf and throughout the Middle East. This is our initial, crucial test. It is imperative that we show what we can do."

Mr. Kim added: "In 1973, when the group decided to go into super-tanker building it had not even built so much as a dinghy before. We did not then have a dock. So that March we began our shipyard. We started building a 250,000 d.w.t. tanker exactly a year later before the dock was completed. We delivered the tanker in November 1974. That was two years seven months from the

moment of the soil breaking ceremony to make the dock."

Mr. Kim went on, "Our strength is that not only can we quickly mobilise the seven companies which make up the group, and all seven will be involved in the ASRY project, but we have facilities and trained man-power scattered round the world, with resources and branch offices. We can acquire all we want quickly, cheaply and on time." Besides the actual construction of the dock and its ancillary buildings and equipment, Bahrain presents a number of local problems. These include congestion at the port—unloading delays are now over three weeks; insufficient fresh water; difficulties with the composition of cement and concrete and acute shortage of local labour and accommodation. Hyundai had their first 10,000 tons of equipment here on December 6, unloaded at the site by barges they had built themselves.

A semi-permanent jetty will be built by the middle of this month from the dock area which will allow 10,000 d.w.t. freighters to come alongside. Thus, Hyundai is not involved in the unloading frustrations at Mina Sulman (Bahrain's port). Four supply ships are due at the dock this month, one each from Korea, Japan, England and Germany.

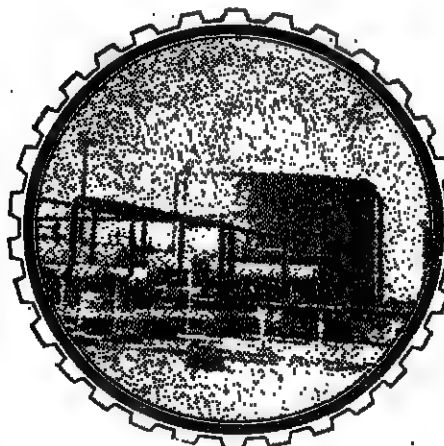
The fresh water problem was easily solved: Hyundai struck a source at a small island half way along the causeway. A well was drilled and 4 kilometres of piping laid to the dock within a mere two weeks.

An entire cement plant has been brought from Korea and its assembly is not expected to take more than a month. As part of their contract Hyundai agreed to build their own accommodation on site and provide their own labour. With a total Korean work force of 1,200 in mind, work was begun on December 6. Four weeks later, accommodation for 500 men was already in being, administrative uncompromising

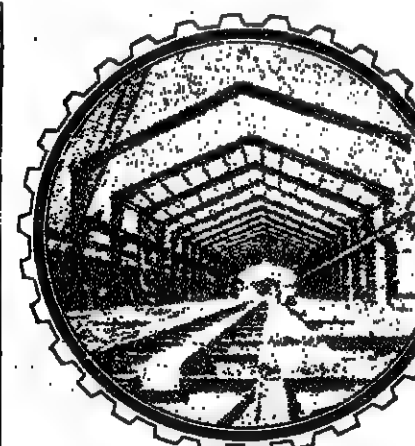
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CONTINUED ON NEXT PAGE

BAHRAIN VIII



## BAHRAIN IX

Britons and Americans, now being joined by South Koreans, currently form the majority of Bahrain's expatriates. Although the cost of living, and particularly rents, is high, the island's way of life has much to offer.

# Expatriates

N HAS recently been a great deal of attention in Western employers' circles over the possible resumption of life in the island.

The houses are air conditioned from a central plant, there is a central store, sweet water and gas are piped to the houses, there is a primary school and a club with swimming pool and all sports facilities.

### Bungalows

Back in Manama, the Western expatriates either live in flats or bungalows or what are locally referred to as "villas," a two-storey house. Most have balconies, although the newer houses seem to be the rule, and all have air conditioning. Some also still have fans. One soon learns to talk of "ac" in the same terms that one discusses "ch" in Britain: central ac is considered a good thing though it only exists in the newer buildings. Reverse ac is apparently the ultimate in desirability—because when it gets cold and wet in the winter it is pleasant to have a system that heats as well as cools—houses that are built to be cool in summer intensify the cold in winter.

It has rained quite a lot since Christmas (but apparently not as much as last year) and, in a town not built for rain, drainage is obviously a problem; three-inch-deep flooded streets are not uncommon after rain. The presence of water is, of course, why Bahrain is so green. There are many fresh-water springs on the island (and some under the sea), which have been used to nurture the date gardens which, once, along with pearls, were the main source of the country's wealth. Some of the gardens (garden effectively means plantation) have been converted into residential areas, and in some places the palms appear to be dying. But to compensate, there seems to be a new "green" government or municipal greenery planting programme. The road from Manama to Awali, which goes past Isa Town and Rifa'a (where the ruler, Shaikh Isa, lives) is lined with green, oleanders, palms and mesquite bean trees (which grow like weeds and look just like oversized pea vetch) and something that looks suspiciously like privet—it has even been shaped into cones and horses at the Rifa'a roundabout. Hollyhocks and marigolds also seem to grow like weeds, and morning glory is conspicuous on all the older houses.

Having to buy water is one of the first things a new expatriate has to get used to. Tap water is perfectly usable though too saline to be drinkable by those unused to it. But "sweet water" is made at various points in town and two jerry cans full of a minute sum of money, there is a school of thought that suggests filtering the sweet water also, but some do without and have not experienced any ill effects from using it straight—or from using the tap water for cooking.

Shopping for the expatriate is as much a social event as a necessity and there are several European style supermarkets, locally called cold stores because their principal feature is the vast amount of frozen food display space. The range of canned goods stocked is both immense and entertaining, though fresh vegetables are in plentiful supply at this time of year. A lot comes from Saudi Arabia which sends about 600,000 dinars worth of fruit and vegetables to Bahrain annually. But Bahrain does grow some produce locally, such as enormous, Mediterranean style tomatoes.

The three major cold stores in Manama are Jawad, Al Jesrah and Moon Plaza but supporting these is a whole range of smaller stores, and Bahrain's first Food Hall has just opened in Ashraf's new department store. Jawad is the major importer of chilled fresh meat into Bahrain: it is of superb quality, though the cuts are not always recognisable to those brought up on British butchery.

The more adventurous of the expatriates can shop for vegetables, dry goods, fruit, meat and fish in the food market. (A vast new food market is just being built on reclaimed land near the sea.) But it is best to have at least a smattering of Arabic for the fun of it as well as for the prices. The fish market is fascinating for those with strong stomachs, for there is a tremendous variety of fish on offer, mostly still alive. Two catches a day come in, morning and mid-afternoon. The fish sellers sit on raised concrete blocks with their catch in rush baskets beside them. Hamour, a silvery white fish with pink-brown spots, is one of the best but this is quite expensive.

For the squeamish there is what is known as "the government fish shop" where frozen fish and shell fish are sold. Shopping there means getting up early in the morning since the stock vanishes fast, but a 2 kg. box of frozen shrimps costs only BD1.400, say, just under £2 for 5 lbs. of shrimps. "Mothers of shrimps" (presumably scampi because they are huge) are also occasionally available.

Servants are not particularly cheap in Bahrain; the hourly rate for a part-timer who finds his own accommodation is roughly comparable to London rates, about \$1 an hour. A servant who lives in is cheaper in terms of pay, but of course board and lodging is provided and all the immigration formalities have to be attended to by the employer, so in total he may work out to be more expensive. For the ordinary British housewife starting life as an expatriate, coping with a living-in servant may be quite

the main thing, however, that must recommend Bahrain to the newcomer is the ease with which most people seem to settle in. Bahrainis have been used to a Western society in their midst since the mid-1930s when RAPCO employees first started coming out in any numbers. And second generation expatriates are a feature of the British community here. Some of the children of those who arrived in the 1930s regard Bahrain as "home" and have come back to take jobs in the island.

Doina Thomas

Mr. Al Jishi is not only highly pleased with progress so far, but with arrangements he is concluding to ensure ASRY's ultimate success. All contracts for mechanical equipment have already been awarded. These include orders for cranes with lifting capacity of 15 and 100 tons, travelling cranes lifting 15 tons to cover the repair areas and two floating cranes—one with a lifting capacity of 200 tons.

Mr. Al Jishi is also optimistic on the usage potential of the dock. Marketing agents in Britain and France have already been appointed and the remaining world-wide agents are expected to be appointed shortly. Personnel policy and salary scales for the dock's eventual operators have been approved. Insurance for all activities of ASRY has been placed with a consortium of ten companies within the Arab World. A study for the future expansion of ASRY's activities is now being prepared and should be ready this month. There are many courses open to choice and these may not necessarily involve a second dry dock basin.

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The centre will be modelled on that at Lisnave where specific advanced methods have been developed in both the theoretical and practical divisions. If necessary, trainees will be sent to well established VLCC yards and to equipment manufacturers overseas for practical experience in hull and machinery repairing. "On the job" training is also being arranged here. In time it is hoped that the ASRY school will become a major Arab centre of practical teaching in a wide variety of mechanical skills and trades.

Ralph Izzard

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The present state of development is that besides building accommodation and organising a water supply, the Hyundai men in a few weeks have laid the foundations for ASRY's permanent training school and the permanent buildings for the shipyard, have completed the initial work on the quay walls and are now ready to start work on the bottom of the dry dock basin as soon as de-watering is completed.

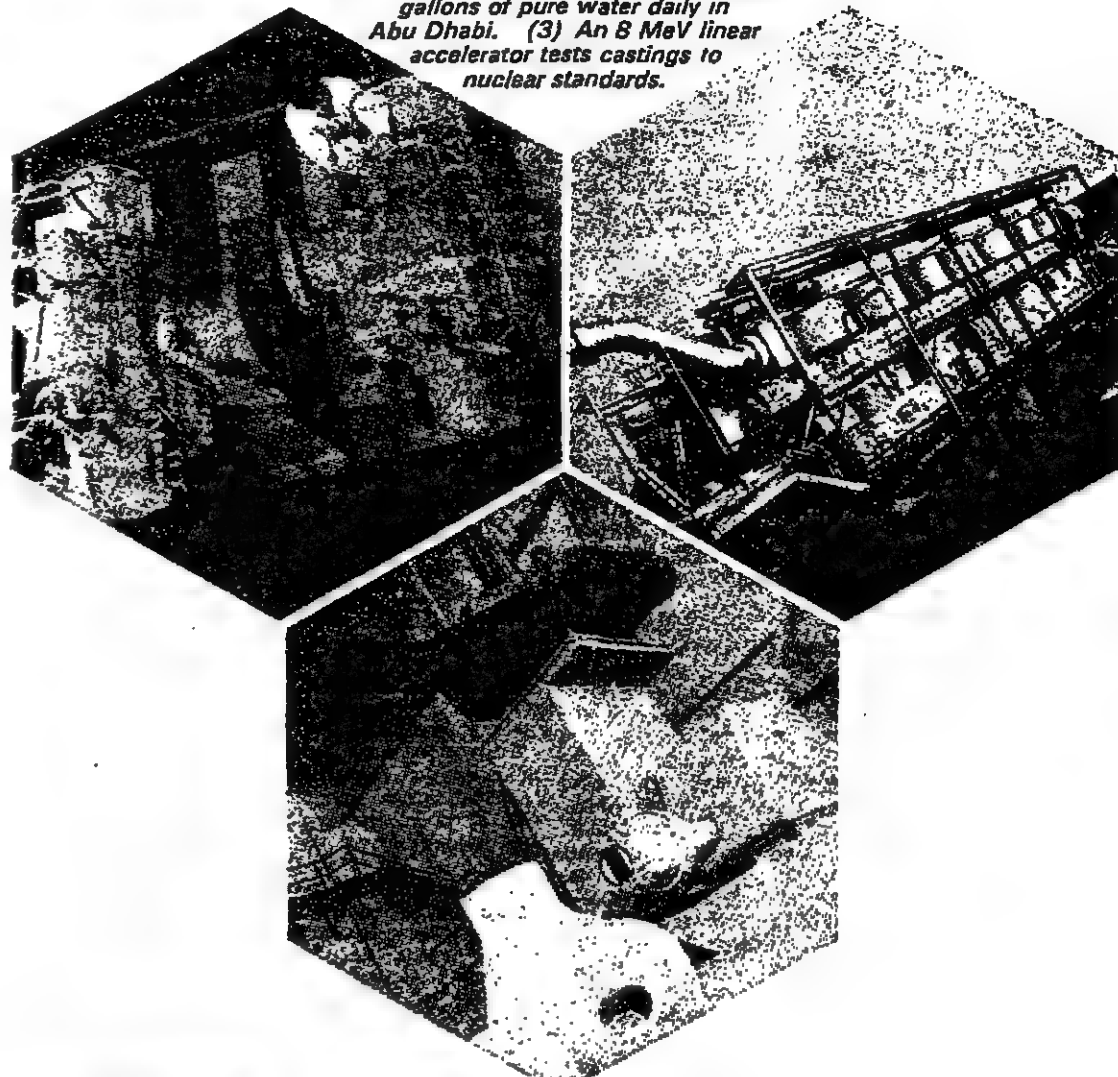
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## ry dock

CONTINUED FROM PREVIOUS PAGE

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He has no house or even a hotel room. A match-board partition in a glass-fronted inner office from which he can survey his senior staff, conceals a bed. He has a similar arrangement out at the site. He has his brief rests in either bed, in whichever location he happens to be. When I met him at 10 o'clock one morning last month, Mr. Kim had worked unrelied throughout the night and was facing up to another full day. The work force will be augmented as requirement develops and will be at full strength in April/May. They will present an array which will make a Western trade unionist blink at its total disregard of trade demarcations. These selected Koreans will each have at least two, and in most cases three, specialised skills. They can be moved from job to job as occasion demands. No man will ever be idle.

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Ralph Izzard



Steady progress is being made towards a complete welfare state structure. Education and medical care have been free for over 50 years and poverty has all but been eliminated. Subsidies and price controls have been introduced to combat the spiralling cost of living. Emphasis has been put on education for some time and considerable advances are being made.

## Social welfare

BAHRAIN IS not yet a welfare state, but steady progress is being made. Education and medical care have been free for more than half a century. Families below the poverty line receive subsistence allowances from the Ministry of Labour and Social Affairs, and beggars have virtually disappeared from the streets. Free child guidance clinics—the first in the Gulf—were introduced last year.

Hundreds of people who missed out on earlier schooling have seized the second chance offered by adult literacy centres all over the island, while vocational training with the co-operation of the UNDP and ILO aims to improve the job prospects of unskilled and semi-skilled workers. An improved pension plan for government employees came into force last October, and a nationwide social security scheme is now before the Cabinet.

Faced with an unprecedented rise in the cost of living, the Government has introduced subsidies and controlled the prices of essential commodities such as rice, sugar, bread, meat and vegetable oil. Nevertheless a recent survey indicates that nearly half the average family's budget is spent on food, with accommodation the next most expensive item. The newly established Ministry of Housing talks in terms of 1,000 system-built houses a year for the lower income groups, and a crash programme for the first 700 has already been launched.

Education was the biggest single item in Bahrain's 1975 budget, accounting for 18 per cent. of recurrent expenditure. It is not compulsory but more than a quarter of the island's total population is enrolled in the schools. Although little is done to educate spastic or mentally handicapped children, a well-equipped school for the blind was established two years

ago in Muharraq, with funds from Saudi Arabia.

Co-education in the Koranic schools goes back more than 13 centuries and in the heyday of the pearling industry private teachers were common among upper-class families. Public education, which has always been segregated, began in 1919 with the opening of the Khalfiya Hidayah school in Muharraq, and the first boys' secondary school was established in 1940. Girls had to wait for secondary education until 1961, although their first primary school opened in 1928. Outnumbered by more than 5,000 at primary level, there are now 500 more girls than boys in the top three secondary classes. This trend is repeated in the adult literacy centres, where women determined to catch up show a much lower drop-out rate than men.

After a period of rapid growth, the emphasis is now on quality rather than quantity, and except in the technical sector where facilities will be more than doubled by 1977, the number of schools will remain static.

### Vigour

Director of General Education Mr. Hassan Al-Mehri is satisfied with the success rate in the primary schools where among 42,000 pupils more than 25 per cent. are "repeaters." Getting rid of old, unsuitable school buildings, improving teacher-pupil ratios (the average primary class is 45-50), updating the curriculum, introducing multi-media teaching aids and retraining the 20 per cent. of unqualified teachers are all measures being pursued with vigour.

About half the children continue with two years of general education in the intermediate schools, which leads to the Idadi leaving certificate at age

14 or later. Much more highly regarded as a passport to a power needs for the Ministry of Labour and Social Affairs, is the Towjili secondary leaving certificate in either literature or science. Commercial students also take recognised examinations, and secondary technical courses lead to City and Guilds qualifications in basic engineering, automotive trades, electrical installation, air conditioning and refrigeration, welding and similar skills. Despite the urgent need for skilled craftsmen to carry out Bahrain's development, the opportunities have not been fully exploited, and less than 15 per cent. of boys opt for technical education.

Two-year teacher-training courses were established in 1966, but with the opening of purpose-built training colleges at Isa Town in October it is planned to introduce four-year degree-level courses and, possibly, maintenance grants for students. Dependence on expatriate staff will end within ten years, and there is already a small surplus of women primary teachers.

The Gulf Technical College, founded in 1968 with support from Abu Dhabi and Qatar, now has 1,100 students following the 52 available courses in all branches of engineering and business studies.

"Education for unemployment is no education," says Principal Donald Longman who, with 17 of his senior staff has been seconded from the British Ministry of Overseas Development. Courses in shorthand, typing and office practice are popular among the girls, while power plant and process operators' courses are among the practical, job-orientated programmes introduced this year. Intensive use is made of the inadequate facilities, and the college operates three shifts from eight in the morning until nine at night.

UN advisers have carried out

a preliminary survey of manpower needs for the Ministry of Labour and Social Affairs, and a pilot vocational training scheme has been set up to up-grade 150 masons, carpenters, and welders from the existing labour force. Training schools for the dry dock, the State electricity department, and the hotel and catering industry are Government initiatives, while the Bahrain Petroleum Company (Bapco) and Cable and Wireless, joined later by Aluminium Bahrain (Alba) and Gulf Air, all have training programmes.

### Abroad

Higher education abroad continues to be the goal of the most able students. Bapco has sent 338 employees to Europe and the U.S. during the past five years, while 108 were sent by Cable and Wireless and 80 by Alba. Hundreds more have been sponsored by the Government to attend Western or Arab universities and training colleges in education, finance, administration, and other specialist fields.

At the other end of the scale, there is no Government provision for nursery education, despite the growing number of married women in employment. The Bahrain Red Crescent Society has opened the first day nursery for children of limited income families, and the demand is such that within three months the number of places is to be increased threefold to 150.

In the health service, which has been allocated about 6 per cent. of the annual budget for 1976, the shortage of trained manpower is the principal limiting factor. When the American Mission Hospital opened in 1960, followed shortly afterwards by the British-supported Victoria Hospital, all the doctors and nurses were expatriates, and the first

Bahraini doctor—the present Minister of Health, Dr. Ali Fakro—did not qualify until 1958.

Training for locally recruited male and female nursing staff began ten years earlier, but only recently, with the establishment of the Yousuf Kanoo School of Nursing and the introduction of three-year courses in addition to the shorter practical training, have nurses achieved professional status. At present there are more than 100 student nurses, who are not regarded as part of the hospital labour force, and 40 per cent. of the trained staff of 500 are Bahraini nationals. Similar programmes have been set up to train pharmacists, laboratory and X-ray technicians and other ancillary staff, but professionally qualified psychiatrists, radiographers, physiotherapists, speech and occupational therapists remain in desperately short supply.

From 1925 clinics were opened in Muharraq and smaller towns and villages, followed by the first child welfare and health centres. The functions of the Naim General Hospital, which opened in 1940, have now been transferred to a consultant psychiatrist who, as a women's and children's hospital in 1956 and will become the greatly enlarged, 850-bed Salmaniya Medical Centre in 1977.

Apart from the physical developments, which include the establishment of maternity, geriatric, chest and psychiatric hospitals, and a Department of Public Health concerned with preventive medicine, sanitation and health education, great strides have been made in the eradication of such diseases as malaria, tuberculosis, trachoma and smallpox.

Bapco, Alba and Gulf Air operate limited medical facilities of their own, but Government health care is free to expatriates as well as to

nationals. However, a nominal charge for a private hospital room, and outpatients may avoid the long morning queues by paying to see a doctor privately. No attempt is made to provide highly specialised facilities, and the few Bahraini patients who require sophisticated brain or heart surgery, or cancer treatment, are sent abroad at Government expense.

A five-year plan for health calls for the improvement of the doctor-patient ratio to one in 1,000 instead of one in 1,750, and an increase in hospital beds from 4.5 to 7.5 in 1,000. Responsibility for management and training is to be shared, following an agreement signed in January, with experts from the American University of Beirut.

Eight new health centres are planned, bringing the total number to 20, in addition to a 450-bed hospital in Muharraq and a smaller one in Isa Town. The ambulance service, which has come in for criticism because of poor equipment and unqualified personnel, is to be brought up to a better standard with 11 new ambulances and a training programme in casualty care. The plan also includes increased facilities for psychiatric care and improvements to school health services, with the emphasis on prevention rather than cure.

A separate Occupational Health Department within the Directorate of Public Health, has been allocated a budget from 1976. Set up with the help of WHO, its function is to work closely with the Ministry of Labour and Social Affairs in protecting the health of workers in an industrial environment and carrying out regular site inspections.

There is a growing awareness that social welfare is a shared responsibility. Dr. Zeln Amara, a consultant psychiatrist who regards emotionally disturbed children as the high-risk group for drug addiction and crime, has enlisted the co-operation of police, teachers and social workers in his campaign for early identification and treatment.

Beggars were banned from the streets last summer under penalty of stiff fines or prison sentences, but police first directed them to a special Social Affairs Bureau, where social workers studied their circumstances and gave financial help where necessary, as they do to needy families on a regular basis. This assistance was described at the time as a temporary expedient until such cases could be covered by social security—but in fact the social

security scheme now before the Cabinet does nothing for them. "Social insurance is the chief weapon against poverty," emphasises the U.N. adviser who drew up the proposed scheme for Bahrain—but only for those who are in paid employment. It is a compulsory scheme for Bahrainis and covers expatriates alike, and covers old age pensions, permanent disability pensions, death, industrial injury and occupational disease. There are no provisions for sickness benefit, unemployment or any form of family allowances—nor does it apply to the self-employed. However, it is a start in what are regarded as the priority areas, and there is as yet no machinery to administer it.

Employees will contribute 7 per cent. of their salary, and employers 11 per cent.; the pension levels are regarded as generous at 2 per cent. of the aggregate salary during the last two years of employment, multiplied by the number of contributory years. Expatriates may draw their pensions in their own countries, or if there is no reciprocal agreement, on leaving Bahrain they get back their own and their employer's contributions, plus 5 per cent. interest.

Government employees with 40 years' service can expect to retire on two-thirds of their last basic salary under their own pension scheme, which is already operating but which covers only Bahraini nationals. Poor housing and spiralling rents are major political issues, and a separate Housing Ministry to speed up construction programmes was established after the dissolution of the National Assembly last October. It was faced with more than 7,000 applications for new homes.

Few of the highly inflammable palm-frond barchas remain, but there are still ugly shanties—perhaps 200 in all—built with scrap metal and wood, while large numbers of slum properties suffer from overcrowding and poor sanitation.

In the changing social climate, young married couples want to set up home on their own instead of moving in with parents, but the high cost of family housing—BD20,000 for the simplest system-built bungalow—has put home ownership out of reach. Construction costs have trebled over the past two years, and land values have gone up four to six times. Landlords cashing in on the shortage of decent accommodation are

charging expatriates as much as BD600 a month. Bahraini teacher earns BD150.

The first Government cost housing scheme initiated in 1963 on a stretch of desert at Manama and Rifa'a. It is to-day accommodates 1,520 families, with a 120 cement-block house point of completion, repay the construction over a 20-year period, ranging from BD62 a month. The town has four schools, mosques, a sports centre and entertainment

With more money after 1974, the Government commissioned consultants I Davies International to start a National Housing Study. Now, instead of treating on one area a traditional building, the intention is to spread housing projects widely, introduce four-to-five apartment blocks and fabricated and system. A locally-owned firm produce the French system of industrialisation is due to be completed, and the Housing Ministry already placed orders, tract for 75 prefabricated at Isa Town has been to a Kuwaiti company in Saudi Arabia another company may Scandinavian building already well established.

The Housing Ministry this week considering allocations for 1976, but not release new figures already announced end of last year included system-built houses on at Isa Town and at Muharraq Island, for a further 210. Developers in hand in the Manama, on Sira Is in the villages, while for two-to-four-bedroom houses is out to BD10m, has been this year for home loans a scheme for Government employees is already in operation. Similar loans offered to its employees BAPCO over the past but the cost of repay of salary even over has become prohibitive, but the high cost of to-day's house values, hard to see how a scheme could apply to private enterprise. The intention, he that loans should also for extensions and

Mary



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65/10/1977



CITY TO-DAY

BY JOE ROGALY

# The cost of welfare handouts to students

IS should not live on a living. They should be able to get a job. The Government should be able to pay a living wage.

It is not as if the Government is not trying to do its best. It is not as if the Government is not trying to do its best. It is not as if the Government is not trying to do its best.

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is living at home. The maximum personal allowance for anyone over 18 in such circumstances has been £8.70 a week since November 17, plus £1 payable as an assumed contribution to the parents' rent, or instead of rent. The maximum for students in their own digs is £10.90 a week, plus the actual rent; if they are married the payment is £17.75—again, plus rent. (A flat £3.18 is deducted on the ground that this is part of the student grant that is supposed to provide for holiday subsistence.)

## Same rates

Leaving aside that deduction, these are of course the same basic supplementary benefit scale rates as those that apply to all claimants. They do not look quite so out of place when the recipients are the indigent old, or the long-term unemployed, or others in more obvious distress than students. From the point of view of the genuine poor the benefits are too low. It is partly for this reason that those who value the Welfare State would be fundamental principles simply in order to stop a few students from taking advantage of it.

They have not always done so. But starting in 1973, and accelerating in 1974, the National Union of Students spread the news with a "know your rights" campaign. Leaflets tell how to claim, where to go, the nature of the pitfalls (such as unnecessary work), and all about the appeals machinery.

The results have been dramatic. In the 1973 summer vacation about 28,000 claims were made by students. When a count was made on a chosen day in August some 12,000 were found to be collecting regular payments. This is taken to show that some of the 28,000 claimed in one part of the holiday and others at another time, since there is a tendency for students to seek social security at the start of the long summer break, and at the end, but to work or take a real rest in the middle. In 1974 claims were up by 20,000 to 48,000, and collections on counting-day in August rose to 21,000. Last year 120,000 claimed, and the August one-day count registered 64,000.

Figures for the short vacations are even higher. They are not precise: one must base estimates on official practice and the unemployment figures. This is, however, a fairly reliable method, because registering as unemployed is a necessary first step for those who want a welfare payment. If they have worked for some time previously (at least half a year—the rules are complicated) they can usually collect ordinary unemployment benefit, on the basis of their contribution to national insurance. Otherwise, they show willingness to register as work-seekers—and then wait for the supplementary benefit cheques to arrive.

## Increasing

This they are now doing in increasing numbers. It seems that last Easter 92,000 students registered as unemployed. On

the assumption that about a tenth of them were "mature students" with a previous work record and thus eligible for benefit, the likelihood is that more than 30,000 were paid supplementary benefit. During the recent Christmas holiday

**NE**  
Information Service Student Welfare Information  
Service Student Welfare Information Service  
Student Welfare Information Service Student  
Welfare Information Service Student Welfare  
Information Service Student Welfare

**Claim Your Vacation Benefit**  
(Custom Policy) Form 76/2

1. If you are virtually without financial support for the vacation, remember that you are eligible for a grant.

2. If you are not, you may still be eligible for a grant if you are a mature student, or if you are a mature student, or if you are a mature student.

3. If you are not, you may still be eligible for a grant if you are a mature student, or if you are a mature student, or if you are a mature student.

the recent Christmas holiday 127,000 registered and it is assumed that about 114,000 were paid what was once called national assistance, and long before that—poor relief. There is no set of figures that could give the exact cost of all this, but a little multiplication produces a total annual cost of around £15m. This is at any rate the kind of figure the Government is working on.

It is both a very large sum, looked at one way, and a very small one, set against total Government expenditure. But £15m.

of the social security staff, many of whom are very angry about it. Of course some students really are in need. Some are married, with children. About a third of all students apparently receive no help at all from home. At a time of rising unemployment the prescription "find work" is often easier said than done. For all the temptation to join the general baying against higher education, it has to be said that students are still part of our society, and a potentially most useful part at that. They are

entitled to a fair appraisal of their situation.

The above paragraph is deliberately disjointed; it represents several of the many conflicting arguments that have taken place inside the Government while an inter-departmental working party has been trying to produce an agreed solution. A background refrain, now at its loudest, is "and they mess up the unemployment figures."

## Three choices

Three main choices seem to be available to the working party, and the Government. They could decide to let paying-out officials so interpret the law that students would find it much harder to use the system. This is of doubtful legality, and even more doubtful morality. I think—hope—that it has been ruled out. A cleaner approach would be a change in the law, with a clause saying that people expecting to return to full-time study at the end of a vacation were in future to be excluded from supplementary benefits. This would breach the sacred principle of universality and it would mean finding Parliamentary time for something that many Labour MPs would dislike on principle. I would not rule it out, but it appears that several in the Government have.

Thus it seems that the politicians' favourite choice is an administrative concoction. They start by making a distinction between the short holidays at Easter and Christmas, and the long summer break. It is in the short hol-

days, we will be told, that registering for unemployment when you know there cannot be temporary work is an abuse of the supplementary benefit system. This could not happen if the grant paid to students was greater than the social security scale rate. And so the way out is to re-define the grant so that the "vacation element" is heavily bunched in the short holidays, thus cancelling out most claims to benefit. This would leave the long holiday even more wide open, with a smaller "vacation element" deduction—but that could be tidied up by instructing officers to make sure that students tried every possible means of finding jobs. This could reduce the number fairly quickly, unless unemployment rises a great deal further, because there are still odd, if not necessarily pleasant, jobs about.

Such a package would best be introduced at a time when it could be sweetened by a general rise in grants. This is the view of most of the "user departments" on the internal committee—Education, Employment and Social Security. It is not the view of the Treasury, which wants to keep any increase in student grant this year to within the limits of incomes policy and well below the ceiling if possible. There may be a Government announcement soon, but the signals are that the argument is continuing, with only the prospect of the April holiday to act as a spur.

to teach us about how to handle students. I have no doubt that they would all be better off for a spell of manual labour during their university years; failing that a financial system that encouraged if not obliged them to seek whatever work was available (including sweeping the streets, or washing dishes, or wrapping parcels) could only be beneficial.

## Incentive

The present grant system does not work: if it did students would not need to claim supplementary benefits. Some do suffer real hardship on inadequate grants. A better system would be one based on loans, in which higher amounts would be available, so that students could live decently. Best of all would be a concentrated effort to spread the ethos of "work your way through college" in this country. Loans could be an incentive: paying back early could be made financially attractive. Direct assistance in job-finding during the summer could be increased, if the employment officials were so instructed. And, possibly most powerful of all, the university teachers and the students themselves should be persuaded that "working your way through" is the best way, including odd jobs in term-time where possible. I know that higher education is "for society"—so that we may all benefit from the acquired skills and accrued wisdom—but it is above all for the individual. The individual should pay.

## Letters to the Editor

### Peering

is resident. ion of Structural only too sadly made a letter (February 3) Gill, of the Amalgamation of Engineering Institutions were when we recom-

ed a pity that the item of our society ensure on its promoters to have to be a section and lumps (as such unions to try to maintain living standards as with those less supported by strong pressures, due to circumstances of the various making up the CEI, it that some CEI's more eager for ership than others are, are, equally, o are concerned that of a union, especially to the TUC, their own political is, of course, true, ould legally opt out political levy but, membership of a, with or without stood for policies anarchy to them, ry hard for them to nd, in this so-called age, hardly the bat to hang a man's

zel for some kind of liability has only use neither CEI, nor institutions, can sional services con- and employment by the fact that they are Royal Charter. ms no reason, how- these services could ed by the U.K. Asso- professional Engineers, mpletely new union, by one affiliated to ter all, other profes- sions, such as the serate successfully out TUC backing.

important thing to sr, whether we have engineers spread er of unions or in to their needs (in- stance of their pro- les), is that it will the destruction of ch we have had so les.

remember that the CEI are now contri- buty in the Middle- y fall-back in per- our professional ser- not endear us to needed clients.

grave Street,

toring

gements

Instone.

managerial deficiencies (or delinquencies). I suggest that the wholly preventive measure must be sought in another direction. The contribution of non-executive directors is of necessity confined almost exclusively to the defence of the company's interests. It is not their function to be involved in the day-to-day running of the company. It is not their function to be involved in the day-to-day running of the company.

The solution, surely, lies in the expansion of the audit function. For a start, should it not be obligatory for all listed companies to have a statutory audit of their accounts by a body of independent auditors (who might, but need not be, associated with the accounting auditors, and should be appointed by the shareholders) before incurring non-revenue expenditure in excess of a specified percentage of the latest audited pre-tax profits?

The delay entailed by seeking such approval might lead to some missed opportunities; but it would also protect investors from losses occasioned by foolish de grandeur, or worse. Ralph Instone, 13, Old Square, Lincoln's Inn, W.C.2.

## Uninformed nation

From Mr. R. Harris. Sir—Mr. J. H. Bescombe and Mr. J. D. Hollis (February 5) both draw attention to the general economic ignorance prevailing in this country. I am inclined to share Mr. Hollis's scepticism as to the value of including economics in the general school curriculum, at least for those who have school at 16. Mr. Bescombe, on the other hand, draws attention to the "ignorance and lack of interest in such matters even among those who, in other spheres, are among the most sophisticated." And here, I feel, something could and should be done.

It seems both a great and an unnecessary pity that it should be possible to obtain an honours degree in either arts or science without learning any economics. It is perhaps an even greater pity that the minority of students that does study economics is taught it largely as a series of academic exercises in geometry. This makes economic theory virtually incomprehensible to those with no aptitude for geometry, and it is often forgotten that even when a student has a marked bent for figures and enough logical capacity to do algebra, he often lacks the ability to carry a diagram in his head which is necessary to do geometry.

really behave, but it tells us how they would behave if they were solely concerned with maximizing profit. This is worth knowing even though in the real world businessmen, like trade union activists are as often moved by vanity and the lust for power as by the desire to make money. The present shortage of good quality science and technology students means that it is hardly practical to insist on them studying economics before they enter the University, but where ever possible they could be encouraged to study economic history as a means of acquiring general literacy, since it can give valuable practice in essay writing and precis writing. With arts students the matter is easier, because there is no shortage of well qualified applicants for the University places available, and there is no real need for the present degree of specialisation at "A" level.

All applicants could reasonably be required to take minimums of five subjects, including economic history and either pure mathematics or accountancy, to a standard half way between the present "O" and "A" levels. Richard Harris, Flat 8, 119, Haverstock Hill, N.W.3.

## Cheap finance for exporters

From Mr. J. Tennent. Sir—In view of the fundamental need of this country to maximize its exports, it is lamentable that the Government does so little to bring to the attention of exporters the small but extremely beneficial rates of Loan Finance which are available. The ECGD, that somewhat unwieldy sized organisation which freely distributes its stereotype replies, is generally only able, and that only in conjunction with a Clearing Bank, to be instrumental in having Finance advanced at rates between 1 and 1.5 per cent above Base Rate. Few companies, it would seem, have the "know how" to raise Finance on their export business at rates which have been as low as 5 per cent. BELOW Base Rate, and are currently around 7 per cent. These methods, which the Bank of England has indicated are entirely in the national interest, are, it appears, never advertised or otherwise brought to would-be exporters' notice. It is not hard to see why the Clearing Banks do not broadcast such competitively priced sources to their own customers. J. M. Tennent, 4, Brendon Close, Esher, Surrey.

## Small firms and the CBI

From The Managing Director P. Ormiston and Sons. Sir—Your recent correspondence on small firms has been most interesting, but I think that T. R. S. Lyon, in his letter (February 2) is being less than fair as I only received my copy of the Plowden Report on the Confederation of British Industry on the same day as his letter was published. My small family business has been a member of the CBI since it started, having formerly been members of the free enterprise orientated National Association of British Manufacturers. I am also a member of the CBI West London Area Committee, so over the 10 years 1965-1975 I have been able

to assess the ability of the CBI to cater for the small firm as well as the big boys. I must admit that I am bitterly disappointed and the fears I expressed prior to the amalgamation in 1965 have been more than fulfilled.

In the Plowden document is this amazing sentence: "We do not, however, consider that the fact of having publicly owned businesses in membership need conflict with the CBI's attitude to nationalisation, or that it need militate against the vigour and strength of the CBI's endeavours to protect and promote the interests of the private sector." We acknowledge that a very large slice of income is derived from the public sector, but in my opinion, the CBI has come to the parting of the ways. It cannot run with the hare and hunt with the hounds any longer. It is precluded from openly supporting free enterprise, and yet this is the one platform from which all the hopes and aspirations of small businesses and the self-employed spring.

John Methven has stated that he is wholeheartedly in favour of keeping the nationalised industries as members, so either the Small Firms Council, is given full autonomy to guide its destinies without Big Brother peering over its shoulder, or the CBI's representation of the small independent business will go by default. J. Ormiston, Broughton Road, W.13.

## A Parliament for Europe

From Mr. A. Cornish. Sir—How extraordinary it was to see Mr. David Watt (February 5) appear to accept with unconcern a European Parliament of the type which would be returned under the "first past the post" system. The gross distortion, which this would produce, will, fortunately, be put into effect, but I suppose they serve yet again to point up the outrage of our present electoral charade. As Mr. Watt details, under any of three alternative systems of proportional representation, the Liberal Party would secure about 13 seats out of 67. Under the distortion of "first past the post" they would win none, leading to the non-representation of at least 20 per cent of the U.K. population. For such elections, however, the British Government will have no choice of the system to be employed, and so will be unable to perpetuate such injustices. Article 138 of the Treaty of Rome says: "The Assembly shall draw up proposals for elections by direct universal suffrage in accordance with a uniform procedure in all member States." Since we are the only member State to adhere to the "first past the post" system for our domestic politics, it is we who will have to move into line with our fellow Community members, if this requirement is to be met. Therefore I firmly believe that at last we are within two-three years of proportional representation in British politics.

Needless to say, if the British Government chooses to ignore this requirement, and hold elections under any procedure different from that adopted in the remaining member States, then the validity of those elections, and the credentials and rights of any individuals so elected, would be disputed most forcibly through all appropriate Community legal avenues. Certainly any members so elected must never expect to take their seats. Alan Cornish, Afco Associates, 24, Tennyson Avenue, E.11.

## To-day's Events

GENERAL  
EEC Foreign Ministers and two-day meeting, Brussels.  
European Central Bankers and two-day meeting, Basel.  
Mrs. Barbara Castle, Social Services Secretary, is guest speaker at Financial Times "Pensions in 1976" conference lunch, Royal Lancaster Hotel, W.2.  
Mrs. Shirley Williams, Prices Secretary, speaks at Electrical Contractors' Association dinner, Grosvenor House, W.1.  
Mr. Jeremy Thorpe, Liberal Party leader, at Liberal Night dinner, Prince's Club, E.C.4.  
Mr. Sidney L. Jones, Assistant Secretary of Treasury for U.S. Economic Affairs, speaks on Daily Telegraph, speaks on

"The American Economy in 1976" at discussion meeting chaired by Sir Brian Zophin, Chief Economic Adviser to HM Treasury, American Embassy, W.1.  
Educational Institute of Scotland deputisation to Scottish MPs on country's educational problems, House of Commons.  
Sir Lindsay Ring, Lord Mayor of London, attends Council of Engineering Institutions banquet to mark 10th anniversary of its Royal Charter, Guildhall, E.C.2.

"Money and Morality," St. Lawrence Jewry next Guildhall, E.C.2, 1.15 p.m.  
PARLIAMENTARY BUSINESS  
House of Commons: Dock Work Regulation Bill, second reading.  
House of Lords: Damages (Scotland) Bill and Land Drainage (Amendment) Bill, report stage.  
Haring (Caravan Sites) Bill, third reading.  
Trade Union and Labour Relations (Amendment) Bill, second reading and consideration of Commons amendments.  
COMPANY RESULTS  
De La Rue (third quarter):

Imperial Group (full year).  
COMPANY MEETINGS  
Archimedes Investment Trust, 64, Coleman Street, E.C.2, 12.30.  
Duple International, Lytham, Lancs, 12.  
Guinness (Arthur), Park Royal, N.W. 24S.  
Tomkins, Kidderminster, 12.  
OPERA  
Roya! Opera production of Pagliacci, Covent Garden, W.C.2, 7.30 p.m.  
MUSIC  
Allegri String Quartet play works by Haydn, Queen Elizabeth Hall, S.E.1, 7.45 p.m.  
SPORT  
Tennis: European Nations Cup, Britain v. France, Edinburgh.

This announcement appears as a matter of record only

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# COMPANY NEWS + COMMENT

## Manchester Ship down again second half

OPERATING revenue of The Manchester Ship Canal Co. improved from £15.51m. to £16.38m. but pre-tax profit fell from £3.55m. to £1.81m. during the year 1974, after being down from £3.01m. to £0.75m. in the first half. Stated earnings are down from 41.8p to 30.9p per £1 share at year-end and a final dividend up from 5.87p to 6.68p net lifts the total from 11.71p to 12.68p, absorbing £476,115 (£446,181).

	1973	1974
Operating revenue	16,283,540	15,512,475
Operating profit	1,185,289	2,674,542
Loss and inv. income	1,244,544	1,251,021
Surplus on land sales	160,154	189,283
Pre-tax profit	1,100,899	2,612,804
Income tax	773,694	728,207
Pre-tax profit	327,205	1,884,597
Net profit	1,229,970	1,649,333
Ordinary dividends	129,889	129,889
Final dividend	476,115	540,181
Retained	223,536	1,079,263
General reserve	5,369,392	7,946,036

### comment

In the absence of strikes and with the benefit of charge increases, Manchester Ship Canal's operating revenue staged a recovery from nearly a tenth in the second half, to finish 3 per cent ahead on the year. However, the effects on profitability of rising labour costs, and a drop in traffic volume of nearly a tenth in the second half, to finish 3 per cent ahead on the year. However, the effects on profitability of rising labour costs, and a drop in traffic volume of nearly a tenth in the second half, to finish 3 per cent ahead on the year. However, the effects on profitability of rising labour costs, and a drop in traffic volume of nearly a tenth in the second half, to finish 3 per cent ahead on the year.

### INDEX TO COMPANY HIGHLIGHTS

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The changes in the group's structure proposed are as follows:—the present company should become a holding company; the name should be changed to Century Oils Group; and the name of one of the subsidiaries should be changed to Century Oils—this company will carry on the main activity of the group, namely the manufacture and distribution of lubricants, engine coolants, industrial hygiene and other associated products. It is proposed that the other group activities should be carried on by other operating subsidiaries.

## Advance by A.C.E. Machinery

TAXABLE profit of A. C. F. Machinery (Holdings) expanded from £17,089 to £31,189 during the year to September 30, 1974, after being ahead from £101,000 to £163,000 in the first half.

As expected, dividend for the year is 2.75p net, compared with 2.50p. Tax charge increased from £134,333 to £189,756 and £99,280 (£58,394) is retained.

### comment

On a 35 per cent jump in sales to £2.7m. A.C.E.'s profits have risen by 44 per cent, which amounts to a full recovery plus an advance of £70,000 over the previous peak in 1972-73. Exports have more than doubled and account for two thirds of the turnover growth, while at home, sales to the construction industry have obviously been dull.

Chairman Mr. C. H. Mitchell points out that during the past two years the company has expanded its activities and interests into the collection and refining of waste oils for use as fuel together with other associated activities.

In addition, small company has been established in Australia and other overseas ventures are under consideration.

underwrite international reinsurance in London. It also underwrites non-marine reinsurance in London for the Continental Insurance Company of New York.

## Little change at McCleery

PRE-TAX profit, virtually unchanged, at £1,277m. is announced by Belfast-based McCleery L'Amie Group for the year to October 31, 1974.

Earnings per 25p share are shown to have fallen from 5.54p to 5.3p. The dividend total is stepped up from 1.675p to 1.9425p net with a final of 1.08575p.

The directors state that turnover for the first three months of the current year has fallen short of expectations due principally to changes in seasonal demand for agricultural twine and the present world economic climate.

However, there are indications that demand will improve for this product later than normal in the season and that the present shortfall in turnover should be overtaken, they add.

### Treasury loan

The prospectus is published today in connection with the issue of £800m. of 12 1/2 per cent Treasury Loan 1983 at 95.25 per cent.

Interest is payable half-yearly with the first payment of 25.24p on July 14, 1983. On or after June 10, 1978 the stock may be exchanged into Bonds to Bearer, which will be available in various denominations. Bonds will be free of stamp duty.

duty, and the interchange can be made without payment of any fee. Prospectus, Page 28

## Midway rise from Gripperrods

AN IMPROVEMENT in pre-tax profit from £280,183 to £342,101 for the half-year to October 31, 1974 is announced by Gripperrods Holdings, makers of carpet installation grippers and edging devices. For the full year 1974-75 profit was £653,151.

The interim dividend is 2.2p gross, compared with 2p. Payment has been waived on 1.07m. shares. Last year's total was 3.212p.

### comment

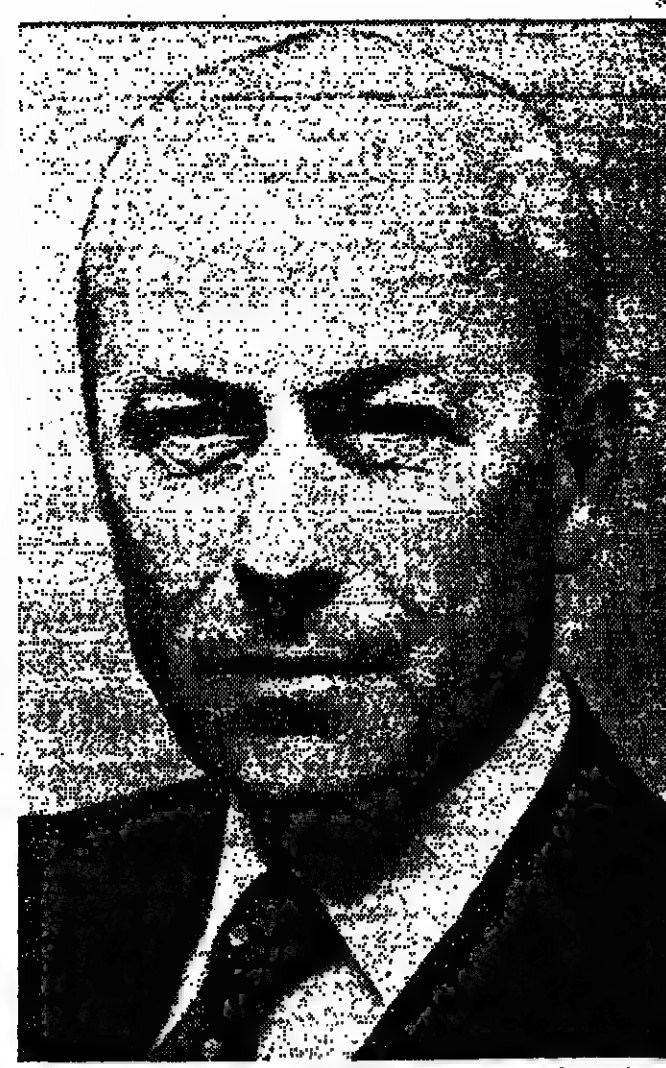
Higher unit sales by the carpet accessories division have enabled Gripperrods to increase interim pre-tax profits by 18 per cent, despite a sharp drop in the engineering subsidiary's contribution. Overall, sales have risen by roughly a quarter during a period in which the group claims to have made no significant price increases. With sales by the carpet industry making little progress during the first half, the Gripperrods improvement appears to reflect its efforts to increase market share, by developing its sales force. In the second six months the engineering division should see some benefits from the re-equipment programme started last year, while "Golden Gripper" and "Tackless" sales should receive a further boost from a revival in carpet sales which has just got under way. A full year profit of £740,000 pre-tax therefore looks in prospect and this would cover a maximum dividend, yielding 7.4 per cent at 75p, four times.

## F. S. Ratcliffe setback—omits interim

A small rise in sales from £0.68m. to £0.7m. is announced by F. S. Ratcliffe Industries for the half year to October 31, 1974 but pre-tax profit fell sharply from £110,968 to £35,528. For the full year to April 30, 1975 profit was £158,948.

There is no interim dividend, against 0.85p net per 25p share last time. Last year's final was 1.345p.

In his annual statement in September last year, Mr. F. S. Ratcliffe, chairman, reported that the



Sir Arthur Norman, chairman of De La Rue, who is due today to announce third-quarter results.

### DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding dividend	Total last year
A.C.E. Machinery	2.75	April 8	2.58	2.58
Gripperrods	2.2(a)	April 2	2.0	4.88
McCleery L'Amie	1.99	May 2	1.84	1.84
Manchester Ship	1.97	April 9	5.87	11.87
Olympia (Redacre)	1.2	April 13	1.3	1.3
F. S. Ratcliffe	Nil	—	0.85	4.22
Scottish Western Inv. Int.	1.3	—	1.5	1.5
Dividends shown net per share net except where otherwise stated for scrip issue. (a) On capital increased by rights and/or acquisition issues. (b) Included exceptional 0.3p.				

## Caledonian Trust ahead half-time

REVENUE, before tax, of Caledonian Trust Co. improved slightly from £0.48m. to £0.49m. in the six months to end 1974—for the full year to June 30, 1975 the figure was £0.88m.

First half earnings per 25p share are shown to be 1.4p, compared with 1.48p. As already announced the interim dividend is being held at 0.6p net.

The directors expect to recommend a same-again final of 0.6p.

Turnover and Profit. Profit before tax was £5,953,000 compared with £6,448,000 in 1974. Though lower than in 1974, it is nevertheless over £1m. more than in any other previous year. Turnover increased from £45m. to £56m., and there was a consequent increase in interest charges to finance this additional business and the Contractors' Services Group acquisition. There has been a further substantial improvement in overseas profitability, which this year represents 27 per cent of the total pre-tax profit. This went a long way to offset the effect of the real downturn in construction activity in the U.K. which, coupled with governmental price controls, prevented adequate increases in U.K. prices to match inflation. Earnings per share have been maintained at 13.4p.

## FOREIGN AND COLONIAL

Foreign and Colonial Investment Trust announces that the existing loan of U.S.\$3m. from Morgan Guaranty Trust Co. of New York was repaid on February 5.

A new five-year multi-currency loan of \$10m. has been arranged with Morgan Guaranty as from that date.

### LILLEY GROUP

In an internal re-organisation of the Lilley Group the name of one of the subsidiaries, Waddington and Son, has been changed to Lilley-Waddington.

### IN BRIEF

CAMBRIDGE WATER—Available revenue for year 1975 was £1,190m. Dividend £1.19m. (1974 £1.19m.) at maximum rate. Capital works not completed amount to £2.2m. In addition £11.0m. expenditure authorised in 1975.

KINTA KELLAS RUBBER ESTATES—For nine months to end-December, 1974, sales of 2,000 tons of rubber, valued at £1,240,221. Net average sale price 25.24p (25.24p). Estimated to contribute £25,000 (25,000). Interim dividend 0.85p (0.85p) net, already announced.

MALAYSIAN RUBBER COMPANY—As known, interim dividend of 0.175p net per 10p share absorbing £1,175,000 (1,175,000). Net revenue for nine months to December 31, 1974, £1,175,000 (1,175,000). Interim dividend 0.175p (0.175p) net, already announced.

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## Cosalt offer to small holders

BY MARGARET REID

IN AN unusual move, Cosalt, the Grimsby fishing equipment storage and financial concern is offering small shareholders a scheme which would enable them to sell their holdings without bearing the disposal costs, other than capital gains tax. Up to some 100,000 of the 4.3m. shares could be involved.

The object, says the chairman, Mr. John Ross, is to save administrative costs of distributing minor amounts of dividend. Some holdings are extremely small, dating back to the days when the company was a co-operative.

The plan is that shares offered for sale under the scheme, which is to remain open up to March 31, should be grouped together for sale after that date through the company's brokers, the proceeds then being remitted to the holders.

Mr. Ross, who says that it now costs £5 a year to service each share, says the scheme, which he named "Share Sale", would result in the number of small shareholders' accounts being reduced.

There are considerable directors' shareholdings in Cosalt. Mr. Ross remarked: "We're not buyers. This is not a secret method of increasing our holding. If we wanted to buy more shares, we would go it through the open market."

See Lex

### BOARD MEET

The following companies have announced dates of Board meetings:—

Board meeting dates:—

### FUTURE DATE

Board meeting dates:—

## Scottish Western downturn

REVENUE OF Scottish Western Investment Trust declined to £1,594,913 in 1974, subject to tax of £579,308 (£577,604). Earnings per share are stated at 1.92p (2.24p) or 1.65p (1.85p) assuming a full conversion of the "B" shares.

A final dividend of 1.3p is proposed making a total of 1.8p compared with 2p which included an exceptional 0.3p. An interim of 0.5p is also announced in respect of the current year.

The "B" Ordinary holders will receive a scrip issue in "B" shares equivalent in asset value to the final and the current year's interim, but excluding any credit thereon.

REVENUE, before tax, of Scottish Western Investment Trust declined to £1,594,913 in 1974, subject to tax of £579,308 (£577,604). Earnings per share are stated at 1.92p (2.24p) or 1.65p (1.85p) assuming a full conversion of the "B" shares.

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## 46 companies wound up

Orders for the winding-up of 46 companies have been received in the High Court in the last 12 months. They were:—

They were:—

They were:—

They were:—

They were:—

They were:—

They were:—

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## SGB GROUP LIMITED

Extracts from the statement by the Chairman, Sir Edgar Beck, C.B.E., for the year

Turnover and Profit. Profit before tax was £5,953,000 compared with £6,448,000 in 1974. Though lower than in 1974, it is nevertheless over £1m. more than in any other previous year. Turnover increased from £45m. to £56m., and there was a consequent increase in interest charges to finance this additional business and the Contractors' Services Group acquisition. There has been a further substantial improvement in overseas profitability, which this year represents 27 per cent of the total pre-tax profit. This went a long way to offset the effect of the real downturn in construction activity in the U.K. which, coupled with governmental price controls, prevented adequate increases in U.K. prices to match inflation. Earnings per share have been maintained at 13.4p.

Dividend. A final dividend of 2.275p will be recommended, which results in a total annual dividend of 4.275p, the maximum allowed.

Inflation Accounts. Inflation accounts have again been prepared on the lines of provisional SSAP No. 7 issued by the U.K. accountancy bodies. These show that the profits before tax would have been over £7,500,000 on this basis.

Review of Operations—United Kingdom Companies. Scaffolding (Great Britain) Limited suffered a significant reduction in profitability this year, largely due to the major recession in the building industry. The Scaffolding Contracts Division held up well and currently has a reasonable order book. The Building Equipment Division held up well and currently has a reasonable order book. The Building Equipment Division held up well and currently has a reasonable order book.

Hardens (Contractors Tools) opened depots in Glasgow, Newcastle and Maidstone. The business of Harvingdale Manufacturing Company Limited, specialists in the production of protective clothing for industry, one of our significant product lines, has recently been acquired. W. C. Youngman Limited maintained its profits and Youngman System Building Limited found the demand for both temporary buildings and mobile site accommodation on hire was well maintained. The results achieved

Year in brief

	1975	1974
Group Turnover	£56,243	£45,180
Group Profit after Interest and before Tax	5,953	6,448
Taxation	3,097	3,683
Group Profit after Tax and Minority Interests	2,729	2,693
Shareholders' Funds and Deferred Taxation	22,657	20,018
Return on Shareholders' Funds measured by Group Profit after Tax	17.3%	19.4%
Earnings per share	13.4p	13.4p

Copies of the Report and Accounts may be obtained from SGB Group Limited, Mitcham, Surrey CR4 4TQ. Tel. 01-640 3393.











JOINTMENTS

# Group executive posts at Davenports Brewery

L. Shavey has been appointed deputy chairman and managing director of DAVENPORTS BREWERY (HOLDINGS) Ltd., and Mr. J. C. G. Gutteridge has been appointed managing director of Davenports Brewery, East Anglia Region.

Mr. J. C. G. Gutteridge, who has been appointed managing director of Davenports Brewery, East Anglia Region, has been appointed managing director of Davenports Brewery, East Anglia Region.

Mr. W. J. Aldred, Mr. G. W. Aldred, Mr. R. E. Douglas, Mr. V. H. S. Hannay and Mr. B. T. James, senior staff members of DAVENPORTS BREWERY (HOLDINGS) Ltd., have been appointed to the Board. Mr. J. C. Gutteridge has been appointed managing director of Davenports Brewery, East Anglia Region.

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## INTERNATIONAL COMPANY NEWS + EURO-MARKETS

## Fiat's Brazil strategy

By Anthony Robinson

ROME, Feb. 9.

THE \$300m. Euro-market loan being raised jointly by Fiat International Holdings and the Brazilian state of Minas Gerais has now gone into syndication. The loan offers a spread of 21 per cent. over inter-bank rates. Lead manager is Credit Suisse White Wolf.

The final maturity will be eight years but it is understood that the terms are such that seven years is the maximum maturity for participations by banks outside the management group.

The proceeds will be used to finance just under a third of the total of \$930m. which Fiat and Minas Gerais are investing in the massive car, forge and motor plant at Belo Horizonte, where Fiat already has tractor and earth-moving equipment facilities.

The new car plant is due to start up this summer and will produce 200,000 modified 137 model cars annually when fully operational.

The original estimates for the cost of the operation, which date back two years, were \$500m. but inflation and the fact that the Brazilian Government has kept the cruzeiro devaluation rate below the rate of inflation has raised the total cost of the operation, including working capital, and start-up costs, to a total of \$930m.

This loan is being financed in the following way. Fiat and Minas Gerais together have provided \$415m. of equity capital. Suppliers' credits account for \$140m. and local finance from Brazilian banks adds up to \$75m. The Eurodollar loan has provided the remaining \$300m.

The Eurodollar loan covers \$210m. of the car plant cost and \$90m. of the forge cost and is being made on an eight-year basis, partly in order to avoid the Brazilian withholding tax. Fiat Holdings has guaranteed 80 per cent. of the loan and Minas Gerais 20 per cent. But Minas Gerais has guaranteed most of the suppliers' credit and raised finance locally so that in all it has guaranteed 48 per cent. of the car plant and 20 per cent. of the forge.

Fiat's decision to make an investment of this size in Brazil reflects a fundamental shift in its South American strategy. Since the war, this has concentrated on Argentina as principal manufacturing base on the sub-continent. By setting up its new plant in Brazil Fiat has put itself behind a high external tariff barrier and will become a major competitor to Volkswagen which chose Brazil as its principal Latin American base after the war.

## GM and Ford to step up capital spending

BY GUY DE JONQUIERES

NEW YORK, Feb. 9.

BOTH General Motors and Ford, the two largest U.S. motor companies, are planning to step up their capital spending substantially this year and have allocated the lion's share of their budgets to their domestic operations.

GM's spending is due to rise 18 per cent. to a record \$2.6bn. from \$2.2bn. last year, and will direct 80 per cent. of this amount to its operations at home. Ford's budget has been increased to \$750m. from \$600m. in 1974, and 60 per cent. of it is earmarked for U.S. projects, as compared with 40 per cent. last year.

The disparity between the two companies' budgets reflects their differing performance in terms of sales and profitability in recent months. Earlier this month, GM reported that its net profits rose by 32 per cent. to \$1.25bn. and last month its sales rose 39 per cent. to give it a 37 per cent. share of the total U.S. market, up from 40 per cent. a year previously.

Ford has not yet released its full-year results, though analysts believe that they will show a drop from the 1974 level, and during the first nine months

of last year its profits were off 55 per cent. to \$152.8m. In January, its sales rose 11 per cent. but its market share fell back to 23 per cent. from 24 per cent. a year earlier.

At a dealers' convention last week-end, Ford's chairman, Mr. Henry Ford II, candidly admitted that Ford could not afford to keep pace with GM's spending. He has indicated in recent months that Ford is also considering abandoning its attempts to compete with GM in all sectors of the market and its product lines in more specialised areas.

Chrysler has yet to announce its 1974 results and its 1975 capital spending budget, though there is speculation in the motor industry that the latter will be less than the \$400m. it spent last year. Like Ford, Chrysler is still planning to introduce new radically new models this year.

Mr. E. M. "Pete" Estes, president of GM, said at the dealers' convention that the company will spend the bulk of this year's budget on developing new models and on its continuing

programme of reducing the size and weight of its existing products. It is not proposing to build any new plants this year and says that it has adequate capacity.

According to Mr. Estes, the 1975-model GM cars due to go on sale next autumn will be up to 1,000 pounds lighter, a foot shorter, and will obtain about two miles per gallon more than its current models.

He said that GM had originally planned to spend \$2.5bn. on plant and equipment last year, but ended up spending only about \$2.2bn. because of delays in some programmes.

In 1974, GM spent \$2.5bn. most of it on radical conversion of its production facilities to meet the demand for more economical cars stimulated by the rise in fuel prices.

GM is considerably more bullish than its competitors in its projections for the U.S. car market this year. It has predicted that total sales will rise to about 10.25m. units from 9.8m. in 1974 and that almost all this increase will go to domestic models at the expense of foreign cars.

## Rescue operation for Lip

By Robert Mather

PARIS, Feb. 9.

A MASSIVE rescue operation has been launched to save Lip, under which the State soft loan agency and Lip's holding company will pour a total of Frs.18m. into the "lame duck" French watchmaking concern.

The decision was taken yesterday at a meeting of the Board of the holding company Societe Europeenne d'Horlogerie et d'Equipelement Mechaniques (SEHEM) whose major shareholders include some of France's largest companies and banks.

The Board also decided to appoint a new managing director to replace Mr. Claude Neuschwanter, the young advertising executive. Leaving political views who took over the company two years ago.

After President Giscard d'Estaing's personal intervention, the SEHEM holding company has now agreed to subscribe to an increase in Lip's capital of Frs.5m., which they refused to grant to M. Neuschwanter when he originally asked for it last December.

An additional Frs.13m. will be provided by the banks in the form of short-term credits while the Economic and Social Development Fund will grant long term loans totalling Frs.7m. at favourable interest rates.

## NITC \$60m. loan

By Mary Campbell

FRANKFURT, Feb. 9.

SYNDICATION is now well advanced for a \$60m. Euro-market loan for the National Iranian Tanker Company, market sources report. The purpose of the loan is to finance the purchase of the tankers which NITC agreed to buy some time ago from British Petroleum.

The loan, which is guaranteed by the National Iranian Oil Company, offers spreads which range from 11 to 13 per cent. over a seven-year maturity. It is understood that Westdeutsche Landesbank and Chemical Bank have agreed to provide finance for a further four years after the expiry of the loan, bringing the overall maturity to 11.

Also in the market is the \$350m. financing for the partners in the Frigg oil and gas field in the North Sea. The \$350m. is in fact made up of a collection of smaller loans to British and Norwegian subsidiaries of Elf, ERAP, CFP, Aquitaine, and Norsk Hydro, each loan under guarantee of its respective parent company.

The maturity and interest rate spread of each loan are, however, identical. They include a seven-year final maturity, with spreads set at 11 per cent. for the first three years and 13 for the last four.

## ASEA meets its forecast

By William Dalforce

STOCKHOLM, Feb. 9.

ASEA, the Swedish electrical engineering group, shows a 30 per cent. increase in pre-tax earnings to Kr.492m. (\$58m.) in its preliminary report for 1974. The results confirm the profits growth forecast made at the half-way stage and represent a recovery during the second half of the year.

The statement, however, shows substantial non-recurring income from the sale of shareholdings and property assets, amounting to Kr.244m. (\$29m.), so a more accurate assessment of the group's 1974 performance will have to wait until the annual report. Group sales climbed by 14 per cent. to Kr.7.9bn. (\$950m.) in 1974.

ASEA also recommends a bonus issue of one-for-four, increasing the equity from Kr.787.5m. to Kr.984.4m.

## Shell may raise Swiss Franc loan

Financial Times Reporter

SHELL is considering the possibility of raising a Swiss capital market loan in the Swiss capital market.

The group would not confirm reports that it might make a private placement of up to Sw.Frs.500m. (about \$35m.). A spokesman said, however, that a Swiss Franc loan was one of the possibilities being considered for its borrowing programme this year. Shell has always been a regular borrower on the Swiss capital market.

## Moscow Narodny to rep \$3m. to Creditanstalt

BY MARGARET RESO

MOSCOW, Feb. 9.

MOSCOW NARODNY BANK, one of the 11 London banks which are suing the Austrian bank Creditanstalt - Bankverein, of Vienna, for \$20.7m. (\$24.5m.) under letters of credit, is to repay Creditanstalt \$3m. (\$3.5m.) which it has been holding against non-payment of the funds in question.

The letters of credit, linked with a trade deal in pharmaceuticals on whose value doubt has been cast, have been syndicated among the consortium of eleven banks by merchant bank Singer and Friedlander, which advanced cash against them. Moscow Narodny's share was \$3m., the amount which it has hitherto stopped out of repayment of a deposit quite separately placed with it by Creditanstalt.

Recalling that the consortium has begun legal action in Austria against Creditanstalt, claiming default on payments due under the letters of credit, the Russian-owned Moscow Narodny explained, last night, "Pending the settlement of this claim, and to cover any possible English Court, but this offer was rejected by Creditanstalt."

Nevertheless, Moscow Narodny, in order to indicate good faith in the matter, has elected to effect repayment with- out prejudice to its claim. Creditanstalt had, for its part, begun legal proceedings in Britain for the recovery of the delayed deposit, and had been due for some time to-day. Some contro- versial payments in the C. non-repayment in fu- deposit, when due. T now understood to be back with interest. A commercial depos months is understood been declined.

Meanwhile certain have been taking place the letters of credit. Finsterwalder, Cre foreign manager, was last week for the pa no settlement has emerged.

## Sorec profits deteriorate

BY RICHARD ROLFE

JOHANNESBURG

THE FORMER Schleicher organisation property arm, Sorec, which is now controlled 43 per cent. by Rand Selection, has run into a deteriorating profit situation, on the evidence of its six months to end-December, with the pre-tax level down from R1.8m. to R1.5m. and the net from R1.1m. to R900,000. Earnings per share fell from 5c to 4.1c, and the dividend has been cut from 4.25c to 3.25c at the second half against 4.5c last year.

The Board to make a total of 7.7c and 235c. will certainly p us to the market. It says the results reflect "presently unfavourable conditions" facing the property developers, "in line with what was expected" in the chairman's review last year and estimates a further fall in taxed profits for the second half current year from R955,000 to R775,000.

While development conditions are far from ideal, the chronic shortage of flats in Johannesburg should on the other hand have benefited Sorec's residential rental income, but no breakdown is available. However, the out- going earnings, in the 1 Sorec at 32c with as 235c. will certainly p us to the market. It says the results reflect "presently unfavourable conditions" facing the property developers, "in line with what was expected" in the chairman's review last year and estimates a further fall in taxed profits for the second half current year from R955,000 to R775,000.

## Two Australian rights issues

BY JAMES FORTH

SYDNEY

TWO MAJOR Australian industrial companies, Thies Holdings and Pioneer Concrete Services, plan to raise more than \$23m. through cash issues to shareholders. Thies (civil engineering, coal mining and vehicle distribution) will raise \$15.5m. with a one-for-four rights issue, while Pioneer Concrete (ready-mixed concrete group) is seeking \$8m. through a one-for-eight rights offer.

The Thies issue comes only 12 months after a substantial \$4.6m. cash issue and a \$1.5m. three-for-one cash-raising exercise at \$4.15 a share. The latest Thies offer is at 1.25c, September. Thies shares

\$1.68 a share, compared with the current market price of \$2.10 and will lift the equity capital by another \$4.6m. Thies said that the funds raised would be used to finance expansion and new development projects throughout the group in Australia and overseas. Thies did not elaborate further on this share after the 1m Pioneer concrete is shares at \$10.00 a par with the mark \$11.18. The compa at the time share in \$1.68m. operation at Nebo had shown a signifi- ment in Australia a gain overseas, partly severe European w- tion.

The project has been delayed because Australian ownership should be at least 80 per cent. The latest Thies offer is at 1.25c, September. Thies shares

## Bank Hapoalim sees hard year ahead

BY L. DANIEL

TEL AVIV

BANK HAPAOALIM — Israel's second largest bank—reports total resources at end-December 1974 of \$3.8bn. sterling, reflecting a growth of 51 per cent. during 1974. Over the past seven years, the bank's total resources rose by approximately 32 times (on a consolidated basis) total resources reached \$2.9bn. on December 31, 1974.

Although the bank's ordinary operating profit, before tax, grew by 87 per cent. in 1974 to \$30m., due to the doubled allocation for tax net profit was up only 41.3 per cent. at \$2m. Hence the bank proposes to pay unchanged cash dividends of 12.5 per cent. on ordinary shares and of 15 per cent. on ordinary preferred, plus 20 per cent. bonus shares (30 per cent. in 1974).

Commenting on the past year's operations, the bank's director, Jacob Levinson, pointed out that three factors were responsible for the reduced profit: ability reported by the Israeli

banking system as a second taxation; the steep fines imposed by Israel on any bank exceeding tight liquid- tion; and, thirdly, a rise in costs.

He predicted that a "very hard year" did not expect a major in the economy, but r in selected sectors. this, the bank was expand its activities

## Murayama fails to honour bills

THE MURAYAMA Company's senior managing director, Sadaharu Murayama, said this

robotic and improved worker efficiency.

Japanese steel OSAKA IRON and Steel said that it and Otsu Heavy Industries agreed to complete their merger by June.

Otsu Steel, capitalised at ¥2.16bn. and Otsu, capitalised at ¥990m., are two of four mills in the open hearth and electric furnace field, affiliated with Nippon Steel, which last month reached basic agreement on a merger to combat recession.

Nippon Steel's Kogoyu is expected to join the scheme while Tokai Steel is holding up a final decision. Otsu Steel said.

Austrian Airlines AUSTRIAN AIRLINES profit rose 100m. last year to 245m. Sch. passenger load factor 1.4 per cent. to 47.7 per cent. This year, the air to invest 458.2m. against 435m. in 1 includes 159m. for DC-9-51, to be del. December.

Pertamina loans THE INDONESIA Government has provided the State-owned Pertamina Oil Company with \$1.5bn. to help it pay its debts, of which \$1.5bn. is for foreign debt. Finance

Sandoz to hold divide BY JOHN WICKS ZURICH, THE BOARD of the Swiss chemical operation Sandoz of Basle states that it seems likely that the dividend for be held at its pre- judging by the current position. In 1974, it company paid a div Sw.Frs.52.50 gross per share, which group turn 2.1 per cent. to Sw.F. (Sw.Frs.47m.), due to cent. drop to Sw.F. (Sw.Frs.1.33bn.) in sales. In other secto turnover showed more the year of 4 per Sw.Frs.2.13bn. for pl icals, -5.4 per cent Sw.Frs.251.8m. for ag sale, and 2.1 per Sw.Frs.389.4m. for di- The overall 2.1 p decline in sales is at to both the worldwide and exchange rate deve. Without exchange loss, the Board group turn have been up by 9 per 1974 levels. In terms currencies, dyestuff sa down by only 4 per ce pharmaceuticals rose 6 cent. and agro-chemi food by 16 per cent. res

## PETROLEOS MEXICANOS U.S. \$76,000,000

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SINGER &amp; FRIEDLANDER LIMITED

December 1975

Handwritten note: *Handwritten text, possibly a signature or reference.*



# The Wobaco Group 1975

**Wobaco Holding Company S.A.**

**Extracts from audited consolidated financial statements**  
**December 31, 1975**

	1975	1974
	U.S. \$000	U.S. \$000
Paid in capital and surplus	21,769	21,769
Reserves	3,454	2,116
Retained earnings	<u>2,826</u>	<u>1,453</u>
Total Capital Funds	28,049	25,338
Total Deposits	<u>761,956</u>	<u>551,095</u>
Cash and due from banks	331,247	174,678
Loans	459,420	402,871
Total assets	<u>816,015</u>	<u>601,185</u>
Net Income	4,311	8,113

#### PRINCIPAL BANKING SUBSIDIARIES

**World Banking Corporation Limited, Nassau, Bahamas**  
**World Banking Corporation S.A., Luxembourg**  
**World Banking & Trust Corporation (Cayman) Limited,**  
**Grand Cayman, British West Indies**

**Shareholder Banks**  
of America Toronto Dominion Bank  
Santander Banque Bruxelles Lambert S.A.  
de Paris Commerzbank A.G.  
Bank Ltd. Skandinaviska Enskilda Banken  
F. van Lanschot Bankiers

**DESPITE** A temporary increase in demand for paper and board products in December and January, there remains no real sign of an overall improvement in the industry's immediate prospects, according to industry sources.

Annual production figures, released by the British Paper and Board Industry Federation yesterday, showed that output last year was 21 per cent down on 1974. At that level it is unlikely that many companies will show a profit on the year's

The temporary upturn at the end of last year is believed to have been the result of marginal restocking by retailers, but is not connected to a return in profitability before the second half of this year at the earliest.

In the printings and writings of the printer it is predicted that production this year should show an increase of about 10 per cent, on 1976, but that would be

the case for the printing industry. During the last few years, many of the companies in a recent survey expected volume of production to remain steady.

There is a general improvement in performance and prospects for printing companies is attributed to success in export markets.

More than 80 of the companies engaged in export markets expected to raise production between February and May.

US\$ 30,000,000 8 1/2% Bonds 1986  
is hereby given to bondholders of the above  
that the amount redeemable on March 1, 1976  
US\$ 1,000,000 was bought in the market.  
outstanding: US\$ 27,000,000.  
The Law Debentures Corporation Limited,  
n.  
pal Paying Agent: Kredietbank S.A. Luxem-  
boise, Luxembourg.  
bourg, February 10, 1976.

REPUBLIQUE ALGERIENNE  
DEMOCRATIQUE ET POPULAIRE  
MINISTRE DE L'INDUSTRIE  
ET DE L'ENERGIE  
ENTREPRISES ALGERIENNES DE  
GRANDS TRAVAUX  
A.L.T.R.A.

**a SONATRACH Subsidiary**  
International Invitation to Tender No. 01/76  
tender to tender has been launched for the supply  
(four) 100-ton cranes on caterpillar wheels  
(one) 300-ton crane on caterpillar wheels  
les interested in the above may obtain tender  
its from the Département Approvisionnement-Stocks,  
114 rue de Tripoli, HUSSEIN-DEY, Algiers.  
together with the usual required documents, should  
in a double sealed envelope clearly marked:  
par ouvrir—Sousmission Appel d'Offres No. 01/76—  
signature de:  
to be opened—Tender No. 01/76—Supply of:  
 quatre) grues de 100 tonnes sur chenilles  
(one) 100-ton cranes on caterpillar wheels  
(one) grue de 300 tonnes sur chenilles  
(one) 300-ton crane on caterpillar wheels"  
RA, 2 boulevard Mohammed V, ALGIERS (Algérie)  
February 28, 1976, at the latest.  
are binding for a period of 90 days.  
der not complying with the above requirements will  
aken into consideration.

**BANK**

**Interest Rates**  
The Clydesdale Bank Ltd. announces that with effect from 8th February, 1976, its Base Rate for lending is being decreased from 10% to 9½% per annum.

[illegible]

# Norsk Hydro a.s

*(Incorporated in the Kingdom of Norway with limited liability)*

## US \$50,000,000 9½ per cent Bonds 1986

**Issue Price 100½ per cent**

**Interest payable annually on 1st February**

**Hambros Bank Limited**  
**Credit Suisse White Weld Limited**

**Banque de Paris et des Pays-Bas**  
**Swiss Bank Corporation (Overseas)**  
**Limited**

Amsterdam-Rotterdam Bank N.V.	Banque Bruxelles Lambert S.A.	Commerzbank <small>Aktiengesellschaft</small>	Den norske Creditbank	Deutsche Bank <small>Aktiengesellschaft</small>
Kjøbenhavn Handelsbank	Loeb, Rhoades & Co.	Morgan Stanley International	Skandinaviska Enskilda Banken	S. G. Warburg & Co. Ltd.
Alahli Bank of Kuwait K.S.C.	Algemene Bank Nederland N.V.	A. E. Ames & Co. <small>Limited</small>	Andresens Bank A/S	
Arab Finance Corporation S.A.L.	Astaire & Co. <small>Limited</small>	Julius Baer International <small>Limited</small>	Banca Commerciale Italiana	
Banca Nazionale del Lavoro	Banco di Roma	Bank of America International	The Bank of Bermuda <small>Limited</small>	Bank Gutzwiller, Kurz, Bungenier <small>(Overseas) Limited</small>
Bank of Helsinki	Bank Len International <small>Limited</small>	Bank Mees & Hope N.V.	Bankers Trust International <small>Limited</small>	
Banque Arabe et Internationale d'Investment (B.A.I.I.)	Banque Française du Commerce Extérieur		Banque Française de Dépôts et de Titres	
Banque Générale du Luxembourg S.A.	Banque de l'Indochine et de Suez		Banque Internationale à Luxembourg S.A.	
Banque Lambert-Luxembourg S.A.	Banque Nationale de Paris	Banque de Neufilze, Schlumberger, Mallet	Banque Populaire Suisse <small>S.A. Luxembourg</small>	
Banque Rothschild	Banque de l'Union Européenne	Banque Worms	Baring Brothers & Co., <small>Limited</small>	Bayerische Vereinsbank
Joh. Berenberg, Gossler & Co.	Bergen Bank	Berliner Handels-Gesellschaft —Frankfurter Bank—	Caisse Centrale des Banques Populaires <small>Limited</small>	Chase Manhattan <small>Limited</small>
Christiania Bank og Kreditkasse	Citicorp International Bank <small>Limited</small>	Compagnia Finanziaria Interbancaria S.p.A.	Crédit Lyonnais	Continental Bank S.A.
Creditanstalt-Bankverein	Crédit Commercial de France	Crédit Industriel et Commercial		Credito Italiano
Daiwa Europe N.V.	Richard Daus & Co. <small>Bankiers</small>	Den Danske Landmandsbank	Deutsche Girozentrale —Deutsche Kommunalbank—	Dillon, Read Overseas Corporation
Dresdner Bank <small>Aktiengesellschaft</small>	European Banking Company <small>Limited</small>	Fellesbanken A/S	First Chicago <small>Limited</small>	Robert Fleming & Co. <small>Limited</small>
Goldman Sachs International Corp.	Götabanken	Gulf Bank K.S.C.	Hambro-Mitsui <small>Limited</small>	Hambro Pacific <small>Limited</small>
R. Henriques jr. Bank—Aktieselskab	Hill Samuel & Co. <small>Limited</small>	The Hong Kong & Shanghai Banking Corporation	Jardine Fleming & Company <small>Limited</small>	
Kansallis-Osake-Pankki	Kidder, Peabody International <small>Limited</small>	Kleinwort, Benson <small>Limited</small>	Kredietbank N.V.	Kredietbank S.A. Luxembourggoise
Kuwait Foreign Trading, Contracting and Investment Co. (S.A.K.)			Kuwait International Investment Company S.A.K.	
Kuwait Investment Company (S.A.K.)	Lazard Brothers & Co., <small>Limited</small>	Lazard Frères et Cie	Lloyds Bank International <small>Limited</small>	Manufacturers Hanover <small>Limited</small>
Samuel Montagu & Co. <small>Limited</small>	Morgan Grenfell & Co. <small>Limited</small>	National Commercial Bank	National Westminster Bank <small>Limited</small>	Nesbitt, Thomson <small>Limited</small>
The Nikko Securities Co., (Europe) <small>Limited</small>	Nomura Europe N.V.	Norddeutsche Landesbank Girozentrale	Nordic Bank <small>Limited</small>	Orion Bank <small>Limited</small>
Paine, Webber, Jackson & Curtis International S.A.		Pierson, Holding & Pierson N.V.	Postipankki <small>Limited</small>	PKbanken <small>Limited</small>
Privatbanken <small>Aktienselskab</small>	Rabomerica International Bank N.V.	Rea Brothers <small>Limited</small>	N. M. Rothschild & Sons <small>Limited</small>	Rowe & Pitman, Hurst-Brown
Salomon Brothers	Sal. Oppenheim jr. & Cie	Scandinavian Bank <small>Limited</small>	J. Henry Schroder Wagg & Co. <small>Limited</small>	Smith, Barney & Co. <small>Incorporated</small>
Société Générale	Société Générale de Banque S.A.	Société Séquanaise de Banque <small>Limited</small>	Strauss, Turbulla & Co. <small>Limited</small>	Sumitomo White Weld <small>Limited</small>
Sundsvallsbanken	Svenska Handelsbanken	Union Bank of Finland <small>Limited</small>	Union de Banques Arabes et Françaises—U.B.A.F.	
United Overseas Bank	Verens-und Westbank AG	J. Vontobel & Co.	Warburg Paribas Becker <small>Incorporated</small>	
Westdeutsche Landesbank Girozentrale	Williams, Glyn & Co.	Wood Gundy <small>Limited</small>	Yamaichi International (Europe)	

JANUARY 1976



# WALL STREET OVERSEAS MARKETS

## Profit-taking cuts back earlier gains D-mark firmer

BY OUR WALL STREET CORRESPONDENT

MODERATE GAINS were scored on Wall Street today after a late reversal of profit-taking cut into an earlier rally on bargain hunting.

The Dow Jones Industrial Average finished 2.28 up at 967.18, after regaining 8.10 to 963.00, and the NYSE All Common Index recovered 13 cents to 533.10, while rises led falls by a near two-to-one majority. Trading volume, however, further decreased 2.02m. shares to 25.34m.

Traders continued to view favourably the outlook for the U.S. economy, and also were impressed by the drop in the January unemployment rate to 7.8 per cent. from 8.3 per cent. reported by the Labour Department. In addition there was a jump in consumer debt in December indicating an increase in consumer confidence in the economy.

Oil moved up \$2 to \$42 on plans to increase its annual hydraulic capacity to over 30m. pounds, tripling its capacity from current levels.

Heavily traded Penn Central climbed a further \$1 to \$31 on 624,200 shares.

Last Thursday President Ford signed a Bill establishing the consolidated Rail Corp. and said he thought the Bill would succeed in the reorganization of the Penn Central and other ailing North-Eastern Railroads.

Gold Resources and Chemical picked up \$1 to \$20.15 on "knowledge" of an offer by Baker Industries to acquire Gulf shares. Baker rose \$1 to \$13.

American Medicines advanced \$1 to \$7.15 on its proposed purchase of its own shares from its former chairman without specific approval from five stockholders as required in violation of Exchange rules.

Singer gained \$1 to \$15.10 on 248,100 shares. Superco added \$1 to \$21.10, and Georgia Pacific \$1 to \$43.10.

But KLM Royal Dutch Airlines came back \$4 to \$43.

Coastal States Gas gave away another \$1 to \$10.15 on the Federal Energy Agency's challenge to domestic products pricing and prohibited any increases until further notice.

Inspirations Consolidated Copper sank \$1 to \$22 on 322,000 shares, after a quarter and year losses and dividend omission.

Johns-Manville tacked on \$1 to \$25.10, after a quarter and year losses and dividend omission.

The American SE Market Value Index rose 0.42 to 97.35, while advanced 450,000 common shares at \$8.50 each.

Tufts were lifted \$2 to \$9.15 on its business to Varian for about \$13m.

Canada mixed

Canadian Stock Markets were narrowly mixed in moderate trading.

The Industrial-Share Index rose 0.45 to 182.24, Utilities put on 0.67 to 157.29 and Banks gained 0.42 to 245.22. But Golds gave way 0.42 to 268.64. Base Metals shed 0.07 to 53.12. Western Oils lost 1.29 to 209.95 and Papers dipped 0.59 to 115.75.

National Sea Products "A" were lifted \$2 to \$12.10, Canadian Pacific put on \$1 to \$13.10 on higher fourth quarter but lower 1975 results.

Most sectors lost ground but gains outnumbered losses in Motors, Construction, Stores and Electricals.

Rhone-Poulenc eased Frs.0.9 to 118.75.

Other Markets

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Most State Loans edged lower.

GERMANY — Most shares lost ground in dull trading as Foreign Exchange Market uncertainty discouraged buyers.

Banks were lower. Electricals weakened. Chemicals declined across the board. Motors lost ground, as did Machine Makers.

Steels were mixed to lower. Metals were mostly lower.

Minings and Stores declined. Breweries were about steady.

Bonds were up to 0.35 points. U.S. shares finished mixed to lower. Dutch stocks eased.

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## Absence of strong Gilt prop takes equities lower

### Share index down 8.1 at 399.6—Golds steady

following news of the delay in publishing the accounts, recede 2 to 7p. Artagen Properties ease 1 1/2 to 78p awaiting to-day's preliminary figures. **Berkeley**

Other uranium stocks, including **Uranium** (**NYSE**: **UR**), were down 20¢ to \$15.10. **Uranium Resources**, which were left of favourable price fell to \$55 before uranium prices were announced by the Australian, **Robb River** were up \$100 pending clarification proposed sale of the **Uranium Creek** gained 1¢ to \$49.

**South African Gold** more than mark turn trading in reflection of a sharp drop in gold prices down at \$130 per share.

Share prices were firmer following the bid in U.S. markets on Friday. **Goldcorp** was selling, although later this morning left some of its best buyers. The **U.S. Gold** was up 10¢ to \$130.

at around 9-11 per cent. The inter-bank market overloans commanded 9-11 in early part, and eased to 8-11 cent, before briefly touching 9 per cent, and closing at 9-11 cent.

Short-term fixed period interest showed a steadier trend, small increases recorded in sectors.

in the table below are

**CORAL INDEX**

Standard Chartered	.....
Sterling Credit	.....
Thames Guaranty	.....
Trade Development B	.....
Twentieth Century B	.....
United Bank of Kuwa	.....
Whiteaway Laidlaw	.....
Williams & Glyn's	.....
Yorkshire Bank	.....

■ Members of the Accents Committee.

1-day deposits 3 1/4%, 1-month 5 1/2%.
1-day deposits on sums of £ under 3 1/4% to £25,000 over that £25,000 3 1/4%.
1-month deposit 7%.
Call deposits over £1,000 50

Treasury Bills	Bank Bills	Five Trade Bills
—	—	—
—	—	—
8 7/8-9 1/8	9 1/8	10-9 1/8
8 7/8-9 1/8	9 1/8-9 1/4	10-9 1/4
8 7/8	9 1/8	10-9 1/2
—	9 1/8-9 1/4	10-9 1/2

I.G. INDEX  
GOLD 1274-1281

**INSURANCE B  
RATES**

Atlantic Assurance  
—  
Cannon Assurance  
—  
Address shown under insur-  
Property, Bond table.







# FT SHARE INFORMATION SERVICE

**\*\*BRITISH FUNDS**

1978	Stock	2	5	10	15	20
		Years	Years	Years	Years	Years
96%	92%	Shorts (Lives up	98%	6.58	9.08	
95%	91%	Victory Apr 1980	98%	6.58	9.08	
94%	90%	Victory Apr 1980	98%	6.58	9.08	
93%	89%	Victory Apr 1980	98%	6.58	9.08	
92%	88%	Victory Apr 1980	98%	6.58	9.08	
91%	87%	Victory Apr 1980	98%	6.58	9.08	
90%	86%	Victory Apr 1980	98%	6.58	9.08	
89%	85%	Victory Apr 1980	98%	6.58	9.08	
88%	84%	Victory Apr 1980	98%	6.58	9.08	
87%	83%	Victory Apr 1980	98%	6.58	9.08	
86%	82%	Victory Apr 1980	98%	6.58	9.08	
85%	81%	Victory Apr 1980	98%	6.58	9.08	
84%	80%	Victory Apr 1980	98%	6.58	9.08	
83%	79%	Victory Apr 1980	98%	6.58	9.08	
82%	78%	Victory Apr 1980	98%	6.58	9.08	
81%	77%	Victory Apr 1980	98%	6.58	9.08	
80%	76%	Victory Apr 1980	98%	6.58	9.08	
79%	75%	Victory Apr 1980	98%	6.58	9.08	
78%	74%	Victory Apr 1980	98%	6.58	9.08	
77%	73%	Victory Apr 1980	98%	6.58	9.08	
76%	72%	Victory Apr 1980	98%	6.58	9.08	
75%	71%	Victory Apr 1980	98%	6.58	9.08	
74%	70%	Victory Apr 1980	98%	6.58	9.08	
73%	69%	Victory Apr 1980	98%	6.58	9.08	
72%	68%	Victory Apr 1980	98%	6.58	9.08	
71%	67%	Victory Apr 1980	98%	6.58	9.08	
70%	66%	Victory Apr 1980	98%	6.58	9.08	
69%	65%	Victory Apr 1980	98%	6.58	9.08	
68%	64%	Victory Apr 1980	98%	6.58	9.08	
67%	63%	Victory Apr 1980	98%	6.58	9.08	
66%	62%	Victory Apr 1980	98%	6.58	9.08	
65%	61%	Victory Apr 1980	98%	6.58	9.08	
64%	60%	Victory Apr 1980	98%	6.58	9.08	
63%	59%	Victory Apr 1980	98%	6.58	9.08	
62%	58%	Victory Apr 1980	98%	6.58	9.08	
61%	57%	Victory Apr 1980	98%	6.58	9.08	
60%	56%	Victory Apr 1980	98%	6.58	9.08	
59%	55%	Victory Apr 1980	98%	6.58	9.08	
58%	54%	Victory Apr 1980	98%	6.58	9.08	
57%	53%	Victory Apr 1980	98%	6.58	9.08	
56%	52%	Victory Apr 1980	98%	6.58	9.08	
55%	51%	Victory Apr 1980	98%	6.58	9.08	
54%	50%	Victory Apr 1980	98%	6.58	9.08	
53%	49%	Victory Apr 1980	98%	6.58	9.08	
52%	48%	Victory Apr 1980	98%	6.58	9.08	
51%	47%	Victory Apr 1980	98%	6.58	9.08	
50%	46%	Victory Apr 1980	98%	6.58	9.08	
49%	45%	Victory Apr 1980	98%	6.58	9.08	
48%	44%	Victory Apr 1980	98%	6.58	9.08	
47%	43%	Victory Apr 1980	98%	6.58	9.08	
46%	42%	Victory Apr 1980	98%	6.58	9.08	
45%	41%	Victory Apr 1980	98%	6.58	9.08	
44%	40%	Victory Apr 1980	98%	6.58	9.08	
43%	39%	Victory Apr 1980	98%	6.58	9.08	
42%	38%	Victory Apr 1980	98%	6.58	9.08	
41%	37%	Victory Apr 1980	98%	6.58	9.08	
40%	36%	Victory Apr 1980	98%	6.58	9.08	
39%	35%	Victory Apr 1980	98%	6.58	9.08	
38%	34%	Victory Apr 1980	98%	6.58	9.08	
37%	33%	Victory Apr 1980	98%	6.58	9.08	
36%	32%	Victory Apr 1980	98%	6.58	9.08	
35%	31%	Victory Apr 1980	98%	6.58	9.08	
34%	30%	Victory Apr 1980	98%	6.58	9.08	
33%	29%	Victory Apr 1980	98%	6.58	9.08	
32%	28%	Victory Apr 1980	98%	6.58	9.08	
31%	27%	Victory Apr 1980	98%	6.58	9.08	
30%	26%	Victory Apr 1980	98%	6.58	9.08	
29%	25%	Victory Apr 1980	98%	6.58	9.08	
28%	24%	Victory Apr 1980	98%	6.58	9.08	
27%	23%	Victory Apr 1980	98%	6.58	9.08	
26%	22%	Victory Apr 1980	98%	6.58	9.08	
25%	21%	Victory Apr 1980	98%	6.58	9.08	
24%	20%	Victory Apr 1980	98%	6.58	9.08	
23%	19%	Victory Apr 1980	98%	6.58	9.08	
22%	18%	Victory Apr 1980	98%	6.58	9.08	
21%	17%	Victory Apr 1980	98%	6.58	9.08	
20%	16%	Victory Apr 1980	98%	6.58	9.08	
19%	15%	Victory Apr 1980	98%	6.58	9.08	
18%	14%	Victory Apr 1980	98%	6.58	9.08	
17%	13%	Victory Apr 1980	98%	6.58	9.08	
16%	12%	Victory Apr 1980	98%	6.58	9.08	
15%	11%	Victory Apr 1980	98%	6.58	9.08	
14%	10%	Victory Apr 1980	98%	6.58	9.08	
13%	9%	Victory Apr 1980	98%	6.58	9.08	
12%	8%	Victory Apr 1980	98%	6.58	9.08	
11%	7%	Victory Apr 1980	98%	6.58	9.08	
10%	6%	Victory Apr 1980	98%	6.58	9.08	
9%	5%	Victory Apr 1980	98%	6.58	9.08	
8%	4%	Victory Apr 1980	98%	6.58	9.08	
7%	3%	Victory Apr 1980	98%	6.58	9.08	
6%	2%	Victory Apr 1980	98%	6.58	9.08	
5%	1%	Victory Apr 1980	98%	6.58	9.08	
4%	0%	Victory Apr 1980	98%	6.58	9.08	
3%	-1%	Victory Apr 1980	98%	6.58	9.08	
2%	-2%	Victory Apr 1980	98%	6.58	9.08	
1%	-3%	Victory Apr 1980	98%	6.58	9.08	
0%	-4%	Victory Apr 1980	98%	6.58	9.08	
-1%	-5%	Victory Apr 1980	98%	6.58	9.08	
-2%	-6%	Victory Apr 1980	98%	6.58	9.08	
-3%	-7%	Victory Apr 1980	98%	6.58	9.08	
-4%	-8%	Victory Apr 1980	98%	6.58	9.08	
-5%	-9%	Victory Apr 1980	98%	6.58	9.08	
-6%	-10%	Victory Apr 1980	98%	6.58	9.08	
-7%	-11%	Victory Apr 1980	98%	6.58	9.08	
-8%	-12%	Victory Apr 1980	98%	6.58	9.08	
-9%	-13%	Victory Apr 1980	98%	6.58	9.08	
-10%	-14%	Victory Apr 1980	98%	6.58	9.08	
-11%	-15%	Victory Apr 1980	98%	6.58	9.08	
-12%	-16%	Victory Apr 1980	98%	6.58	9.08	
-13%	-17%	Victory Apr 1980	98%	6.58	9.08	
-14%	-18%	Victory Apr 1980	98%	6.58	9.08	
-15%	-19%	Victory Apr 1980	98%	6.58	9.08	
-16%	-20%	Victory Apr 1980	98%	6.58	9.08	
-17%	-21%	Victory Apr 1980	98%	6.58	9.08	
-18%	-22%	Victory Apr 1980	98%	6.58	9.08	
-19%	-23%	Victory Apr 1980	98%	6.58	9.08	
-20%	-24%	Victory Apr 1980	98%	6.58	9.08	
-21%	-25%	Victory Apr 1980	98%	6.58	9.08	
-22%	-26%	Victory Apr 1980	98%	6.58	9.08	
-23%	-27%	Victory Apr 1980	98%	6.58	9.08	
-24%	-28%	Victory Apr 1980	98%	6.58	9.08	
-25%	-29%	Victory Apr 1980	98%	6.58	9.08	
-26%	-30%	Victory Apr 1980	98%	6.58	9.08	
-27%	-31%	Victory Apr 1980	98%	6.58	9.08	
-28%	-32%	Victory Apr 1980	98%	6.58	9.08	
-29%	-33%	Victory Apr 1980	98%	6.58	9.08	
-30%	-34%	Victory Apr 1980	98%	6.58	9.08	
-31%	-35%	Victory Apr 1980	98%	6.58	9.08	
-32%	-36%	Victory Apr 1980	98%	6.58	9.08	
-33%	-37%	Victory Apr 1980	98%	6.58	9.08	
-34%	-38%	Victory Apr 1980	98%	6.58	9.08	
-35%	-39%	Victory Apr 1980	98%	6.58	9.08	
-36%	-40%	Victory Apr 1980	98%	6.58	9.08	
-37%	-41%	Victory Apr 1980	98%	6.58	9.08	
-38%	-42%	Victory Apr 1980	98%	6.58	9.08	
-39%	-43%	Victory Apr 1980	98%	6.58	9.08	
-40%	-44%	Victory Apr 1980	98%	6.58	9.08	
-41%	-45%	Victory Apr 1980	98%	6.58	9.08	
-42%	-46%	Victory Apr 1980	98%	6.58	9.08	
-43%	-47%	Victory Apr 1980	98%	6.58	9.08	
-44%	-48%	Victory Apr 1980	98%	6.58	9.08	
-45%	-49%	Victory Apr 1980	98%	6.58	9.08	
-46%	-50%	Victory Apr 1980	98%	6.58	9.08	
-47%	-51%	Victory Apr 1980	98%	6.58	9.08	
-48%	-52%	Victory Apr 1980	98%	6.58	9.08	
-49%	-53%	Victory Apr 1980	98%	6.58	9.08	
-50%	-54%	Victory Apr 1980	98%	6.58	9.08	
-51%	-55%	Victory Apr 1980	98%	6.58	9.08	
-52%	-56%	Victory Apr 1980	98%	6.58	9.08	
-53%	-57%	Victory Apr 1980	98%	6.58	9.08	
-54%	-58%	Victory Apr 1980	98%	6.58	9.08	
-55%	-59%	Victory Apr 1980	98%	6.58	9.08	
-56%	-60%	Victory Apr 1980	98%	6.58	9.08	
-57%	-61%	Victory Apr 1980	98%	6.58	9.08	
-58%	-62%	Victory Apr 1980	98%	6.58	9.08	
-59%	-63%	Victory Apr 1980	98%	6.58	9.08	
-60%	-64%	Victory Apr 1980	98%	6.58	9.08	
-61%	-65%	Victory Apr 1980	98%	6.58	9.08	
-62%	-66%	Victory Apr 1980	98%	6.58	9.08	
-63%	-67%	Victory Apr 1980	98%	6.58	9.08	
-64%	-68%	Victory Apr 1980	98%	6.58	9.08	
-65%	-69%	Victory Apr 1980	98%	6.58	9.08	
-66%	-70%	Victory Apr 1980	98%	6.58	9.08	
-67%	-71%	Victory Apr 1980	98%	6.58	9.08	
-68%	-72%	Victory Apr 1980	98%	6.58	9.08	
-69%	-73%	Victory Apr 1980	98%	6.58	9.08	
-70%	-74%	Victory Apr 1980	98%	6.58	9.08	
-71%	-75%	Victory Apr 1980	98%	6.58	9.08	
-72%	-76%	Victory Apr 1980	98%	6.58	9.08	
-73%	-77%	Victory Apr 1980	98%	6.58	9.08	
-74%	-78%	Victory Apr 1980	98%	6.58	9.08	
-75%	-79%	Victory Apr 1980	98%	6.58	9.08	
-76%	-80%	Victory Apr 1980	98%	6.58	9.08	
-77%	-81%	Victory Apr 1980	98%	6.58	9.08	
-78%	-82%	Victory Apr 1980	98%	6.58	9.08	
-79%	-83%	Victory Apr 1980	98%	6.58	9.08	
-80%	-84%	Victory Apr 1980	98%	6.58	9.08	
-81%	-85%	Victory Apr 1980	98%	6.58	9.08	
-82%	-86%	Victory Apr 1980	98%	6.58	9.08	
-83%	-87%	Victory Apr 1980	98%	6.58	9.08	
-84%	-88%	Victory Apr 1980	98%	6.58	9.08	
-85%	-89%	Victory Apr 1980	98%	6.58	9.08	
-86%	-90%	Victory Apr 1980	98%	6.58	9.08	
-87%	-91%	Victory Apr 1980	98%	6.58	9.08	
-88%	-92%	Victory Apr 1980	98%	6.58	9.08	
-89%	-93%	Victory Apr 1980	98%	6.58	9.08	
-90%	-94%	Victory Apr 1980	98%	6.58	9.08	
-91%	-95%	Victory Apr 1980	98%	6.58	9.08	
-92%	-96%	Victory Apr 1980	98%	6.58	9.08	
-93%	-97%	Victory Apr 1980	98%	6.58	9.08	
-94%	-98%	Victory Apr 1980	98%	6.58	9.08	
-95%	-99%	Victory Apr 1980	98%	6.58	9.08	
-96%	-100%	Victory Apr 1980	98%	6.58	9.08	
-97%	-101%	Victory Apr 1980	98%	6.58	9.08	
-98%	-102%	Victory Apr 1980	98%	6.58	9.08	
-99%	-103%	Victory Apr 1980	98%	6.58	9.08	
-100%	-104%	Victory Apr 1980	98%	6.58	9.08	
-101%	-105%	Victory Apr 1980	98%	6.58	9.08	
-102%	-106%	Victory Apr 1980	98%	6.58	9.08	
-103%	-107%	Victory Apr 1980	98%	6.58	9.08	
-104%	-108%	Victory Apr 1980	98%	6.58	9.08	
-105%	-109%	Victory Apr 1980	98%	6.58	9.08	
-106%	-110%	Victory Apr 1980	98%	6.58	9.08	
-107%	-111%	Victory Apr 1980	98%	6.58	9.08	
-108%	-112%	Victory Apr 1980	98%	6.58	9.08	
-10						

**LOANS (Miscel.)**

47	16	47	10.57	13.70	13.70
56	55 1/2	48	10.57	13.70	13.70
57	56	49	10.57	13.70	13.70
107	50	50	10.57	13.70	13.70
108	50	51	10.57	13.70	13.70
109	50	52	10.57	13.70	13.70
110	50	53	10.57	13.70	13.70
111	50	54	10.57	13.70	13.70
112	50	55	10.57	13.70	13.70
113	50	56	10.57	13.70	13.70
114	50	57	10.57	13.70	13.70
115	50	58	10.57	13.70	13.70
116	50	59	10.57	13.70	13.70
117	50	60	10.57	13.70	13.70
118	50	61	10.57	13.70	13.70
119	50	62	10.57	13.70	13.70
120	50	63	10.57	13.70	13.70
121	50	64	10.57	13.70	13.70
122	50	65	10.57	13.70	13.70
123	50	66	10.57	13.70	13.70
124	50	67	10.57	13.70	13.70
125	50	68	10.57	13.70	13.70
126	50	69	10.57	13.70	13.70
127	50	70	10.57	13.70	13.70
128	50	71	10.57	13.70	13.70
129	50	72	10.57	13.70	13.70
130	50	73	10.57	13.70	13.70
131	50	74	10.57	13.70	13.70
132	50	75	10.57	13.70	13.70
133	50	76	10.57	13.70	13.70
134	50	77	10.57	13.70	13.70
135	50	78	10.57	13.70	13.70
136	50	79	10.57	13.70	13.70
137	50	80	10.57	13.70	13.70
138	50	81	10.57	13.70	13.70
139	50	82	10.57	13.70	13.70
140	50	83	10.57	13.70	13.70
141	50	84	10.57	13.70	13.70
142	50	85	10.57	13.70	13.70
143	50	86	10.57	13.70	13.70
144	50	87	10.57	13.70	13.70
145	50	88	10.57	13.70	13.70
146	50	89	10.57	13.70	13.70
147	50	90	10.57	13.70	13.70
148	50	91	10.57	13.70	13.70
149	50	92	10.57	13.70	13.70
150	50	93	10.57	13.70	13.70
151	50	94	10.57	13.70	13.70
152	50	95	10.57	13.70	13.70
153	50	96	10.57	13.70	13.70
154	50	97	10.57	13.70	13.70
155	50	98	10.57	13.70	13.70
156	50	99	10.57	13.70	13.70
157	50	100	10.57	13.70	13.70
158	50	101	10.57	13.70	13.70
159	50	102	10.57	13.70	13.70
160	50	103	10.57	13.70	13.70
161	50	104	10.57	13.70	13.70
162	50	105	10.57	13.70	13.70
163	50	106	10.57	13.70	13.70
164	50	107	10.57	13.70	13.70
165	50	108	10.57	13.70	13.70
166	50	109	10.57	13.70	13.70
167	50	110	10.57	13.70	13.70
168	50	111	10.57	13.70	13.70
169	50	112	10.57	13.70	13.70
170	50	113	10.57	13.70	13.70
171	50	114	10.57	13.70	13.70
172	50	115	10.57	13.70	13.70
173	50	116	10.57	13.70	13.70
174	50	117	10.57	13.70	13.70
175	50	118	10.57	13.70	13.70
176	50	119	10.57	13.70	13.70
177	50	120	10.57	13.70	13.70
178	50	121	10.57	13.70	13.70
179	50	122	10.57	13.70	13.70
180	50	123	10.57	13.70	13.70
181	50	124	10.57	13.70	13.70
182	50	125	10.57	13.70	13.70
183	50	126	10.57	13.70	13.70
184	50	127	10.57	13.70	13.70
185	50	128	10.57	13.70	13.70
186	50	129	10.57	13.70	13.70
187	50	130	10.57	13.70	13.70
188	50	131	10.57	13.70	13.70
189	50	132	10.57	13.70	13.70
190	50	133	10.57	13.70	13.70
191	50	134	10.57	13.70	13.70
192	50	135	10.57	13.70	13.70
193	50	136	10.57	13.70	13.70
194	50	137	10.57	13.70	13.70
195	50	138	10.57	13.70	13.70
196	50	139	10.57	13.70	13.70
197	50	140	10.57	13.70	13.70
198	50	141	10.57	13.70	13.70
199	50	142	10.57	13.70	13.70
200	50	143	10.57	13.70	13.70
201	50	144	10.57	13.70	13.70
202	50	145	10.57	13.70	13.70
203	50	146	10.57	13.70	13.70
204	50	147	10.57	13.70	13.70
205	50	148	10.57	13.70	13.70
206	50	149	10.57	13.70	13.70
207	50	150	10.57	13.70	13.70
208	50	151	10.57	13.70	13.70
209	50	152	10.57	13.70	13.70
210	50	153	10.57	13.70	13.70
211	50	154	10.57	13.70	13.70
212	50	155	10.57	13.70	13.70
213	50	156	10.57	13.70	13.70
214	50	157	10.57	13.70	13.70
215	50	158	10.57	13.70	13.70
216	50	159	10.57	13.70	13.70
217	50	160	10.57	13.70	13.70
218	50	161	10.57	13.70	13.70
219	50	162	10.57	13.70	13.70
220	50	163	10.57	13.70	13.70
221	50	164	10.57	13.70	13.70
222	50	165	10.57	13.70	13.70
223	50	166	10.57	13.70	13.70
224	50	167	10.57	13.70	13.70
225	50	168	10.57	13.70	13.70
226	50	169	10.57	13.70	13.70
227	50	170	10.57	13.70	13.70
228	50	171	10.57	13.70	13.70
229	50	172	10.57	13.70	13.70
230	50	173	10.57	13.70	13.70
231	50	174	10.57	13.70	13.70
232	50	175	10.57	13.70	13.70
233	50	176	10.57	13.70	13.70
234	50	177	10.57	13.70	13.70
235	50	178	10.57	13.70	13.70
236	50	179	10.57	13.70	13.70
237	50	180	10.57	13.70	13.70
238	50	181	10.57	13.70	13.70
239	50	182	10.57	13.70	13.70
240	50	183	10.57	13.70	13.70
241	50	184	10.57	13.70	13.70
242	50	185	10.57	13.70	13.70
243	50	186	10.57	13.70	13.70
244	50	187	10.57	13.70	13.70
245	50	188	10.57	13.70	13.70
246	50	189	10.57	13.70	13.70
247	50	190	10.57	13.70	13.70
248	50	191	10.57	13.70	13.70
249	50	192	10.57	13.70	13.70
250	50	193	10.57	13.70	13.70
251	50	194	10.57	13.70	13.70
252	50	195	10.57	13.70	13.70
253	50	196	10.57	13.70	13.70
254	50	197	10.57	13.70	13.70
255	50	198	10.57	13.70	13.70
256	50	199	10.57	13.70	13.70
257	50	200	10.57	13.70	13.70
258	50	201	10.57	13.70	13.70
259	50	202	10.57	13.70	13.70
260	50	203	10.57	13.70	13.70
261	50	204	10.57	13.70	13.70
262	50	205	10.57	13.70	13.70
263	50	206	10.57	13.70	13.70
264	50	207	10.57	13.70	13.70
265	50	208	10.57	13.70	13.70
266	50	209	10.57	13.70	13.70
267	50	210	10.57	13.70	13.70
268	50	211	10.57	13.70	13.70
269	50	212	10.57	13.70	13.70
270	50	213	10.57	13.70	13.70
271	50	214	10.57	13.70	13.70
272	50	215	10.57	13.70	13.70
273	50	216	10.57	13.70	13.70
274	50	217	10.57	13.70	13.70
275	50	218	10.57	13.70	13.70
276	50	219	10.57	13.70	13.70
277	50	220	10.57	13.70	13.70
278	50	221	10.57	13.70	13.70
279	50	222	10.57	13.70	13.70
280	50	223	10.57	13.70	13.70
281	50	224	10.57	13.70	13.70
282	50	225	10.57	13.70	13.70
283	50	226	10.57	13.70	13.70
284	50	227	10.57	13.70	13.70
285	50	228	10.57	13.70	13.70
286	50	229	10.57	13.70	13.70
287	50	230	10.57	13.70	13.70
288	50	231	10.57	13.70	13.70
289	50	232	10.57	13.70	13.70
290	50	233	10.57	13.70	13.70
291	50	234	10.57	13.70	13.70
292	50	235	10.57	13.70	13.70
293	50	236	10.57	13.70	13.70
294	50	237	10.57	13.70	13.70
295	50	238	10.57	13.70	13.70
296	50	239	10.57	13.70	13.70
297	50	240	10.57	13.70	13.70
298	50	241	10.57	13.70	13.70
299	50	242	10.57	13.70	13.70
300	50	243	10.57	13.70	13.70
301	50	244	10.57	13.70	13.70
302	50	245	10.57	13.70	13.70
303	50	246	10.57	13.70	13.70
304	50	247	10.57	13.70	13.70
305	50	248	10.57	13.70	13.70
306	50	249	10.57	13.70	13.70
307	50	250	10.57	13.70	13.70
308	50	251	10.57	13.70	13.70
309	50	252	10.57	13.70	13.70
310	50	253	10.57	13.70	13.70
311	50	254	10.57	13.70	13.70
312	50	255	10.57	13.70	13.70
313	50	256	10.57	13.70	13.70
314	50	257	10.57	13.70	13.70
315	50	258	10.57	13.70	13.70
316	50	259	10.57	13.70	13.70
317	50	260	10.57	13.70	13.70
318	50	261	10.57	13.70	13.70
319	50	262	10.57	13.70	13.70
320	50	263	10.57	13.70	13.70
321	50	264	10.57	13.70	13.70
322</					

## AMERICANS

[illegible]

## CANADIANS

134	204	204	123	96	36
135	PK. Nova Spr. 22	23	73	\$1.50	2.3
136	207	207	23	\$3.44	4.4
137	211	211	27	100	4.4
138	209	209	27	100	4.4
139	209	209	27	100	4.4
140	209	209	27	100	4.4
141	209	209	27	100	4.4
142	209	209	27	100	4.4
143	209	209	27	100	4.4
144	209	209	27	100	4.4
145	209	209	27	100	4.4
146	209	209	27	100	4.4
147	209	209	27	100	4.4
148	209	209	27	100	4.4
149	209	209	27	100	4.4
150	209	209	27	100	4.4
151	209	209	27	100	4.4
152	209	209	27	100	4.4
153	209	209	27	100	4.4
154	209	209	27	100	4.4
155	209	209	27	100	4.4
156	209	209	27	100	4.4
157	209	209	27	100	4.4
158	209	209	27	100	4.4
159	209	209	27	100	4.4
160	209	209	27	100	4.4
161	209	209	27	100	4.4
162	209	209	27	100	4.4
163	209	209	27	100	4.4
164	209	209	27	100	4.4
165	209	209	27	100	4.4
166	209	209	27	100	4.4
167	209	209	27	100	4.4
168	209	209	27	100	4.4
169	209	209	27	100	4.4
170	209	209	27	100	4.4
171	209	209	27	100	4.4
172	209	209	27	100	4.4
173	209	209	27	100	4.4
174	209	209	27	100	4.4
175	209	209	27	100	4.4
176	209	209	27	100	4.4
177	209	209	27	100	4.4
178	209	209	27	100	4.4
179	209	209	27	100	4.4
180	209	209	27	100	4.4
181	209	209	27	100	4.4
182	209	209	27	100	4.4
183	209	209	27	100	4.4
184	209	209	27	100	4.4
185	209	209	27	100	4.4
186	209	209	27	100	4.4
187	209	209	27	100	4.4
188	209	209	27	100	4.4
189	209	209	27	100	4.4
190	209	209	27	100	4.4
191	209	209	27	100	4.4
192	209	209	27	100	4.4
193	209	209	27	100	4.4
194	209	209	27	100	4.4
195	209	209	27	100	4.4
196	209	209	27	100	4.4
197	209	209	27	100	4.4
198	209	209	27	100	4.4
199	209	209	27	100	4.4
200	209	209	27	100	4.4

**RENTS AND LEASES**[illegible]

### BUILDING INDUSTRY—Continued

[illegible]**DRAPERY AND STORES—Continued**

Stock	High	Low	Price	Change	Volume	Open	Close
Stearns Corp.	37	37	37	0	10	37.00	37.00
St. Paul Corp.	10	10	10	0	10	10.00	10.00
U.S. Gypsum	13	13	13	0	10	13.00	13.00
Union Carbide	41	41	41	0	10	41.00	41.00
Wells Fargo	26	26	26	0	10	26.00	26.00
Wheat (A.)	42	42	42	0	10	42.00	42.00
Wheat (B.)	46	46	46	0	10	46.00	46.00
Wheat (C.)	42	42	42	0	10	42.00	42.00
Wheat (D.)	46	46	46	0	10	46.00	46.00
Wheat (E.)	42	42	42	0	10	42.00	42.00
Wheat (F.)	46	46	46	0	10	46.00	46.00
Wheat (G.)	42	42	42	0	10	42.00	42.00
Wheat (H.)	46	46	46	0	10	46.00	46.00
Wheat (I.)	42	42	42	0	10	42.00	42.00
Wheat (J.)	46	46	46	0	10	46.00	46.00
Wheat (K.)	42	42	42	0	10	42.00	42.00
Wheat (L.)	46	46	46	0	10	46.00	46.00
Wheat (M.)	42	42	42	0	10	42.00	42.00
Wheat (N.)	46	46	46	0	10	46.00	46.00
Wheat (O.)	42	42	42	0	10	42.00	42.00
Wheat (P.)	46	46	46	0	10	46.00	46.00
Wheat (Q.)	42	42	42	0	10	42.00	42.00
Wheat (R.)	46	46	46	0	10	46.00	46.00
Wheat (S.)	42	42	42	0	10	42.00	42.00
Wheat (T.)	46	46	46	0	10	46.00	46.00
Wheat (U.)	42	42	42	0	10	42.00	42.00
Wheat (V.)	46	46	46	0	10	46.00	46.00
Wheat (W.)	42	42	42	0	10	42.00	42.00
Wheat (X.)	46	46	46	0	10	46.00	46.00
Wheat (Y.)	42	42	42	0	10	42.00	42.00
Wheat (Z.)	46	46	46	0	10	46.00	46.00
Wheat (AA.)	42	42	42	0	10	42.00	42.00
Wheat (AB.)	46	46	46	0	10	46.00	46.00
Wheat (AC.)	42	42	42	0	10	42.00	42.00
Wheat (AD.)	46	46	46	0	10	46.00	46.00
Wheat (AE.)	42	42	42	0	10	42.00	42.00
Wheat (AF.)	46	46	46	0	10	46.00	46.00
Wheat (AG.)	42	42	42	0	10	42.00	42.00
Wheat (AH.)	46	46	46	0	10	46.00	46.00
Wheat (AI.)	42	42	42	0	10	42.00	42.00
Wheat (AJ.)	46	46	46	0	10	46.00	46.00
Wheat (AK.)	42	42	42	0	10	42.00	42.00
Wheat (AL.)	46	46	46	0	10	46.00	46.00
Wheat (AM.)	42	42	42	0	10	42.00	42.00
Wheat (AN.)	46	46	46	0	10	46.00	46.00
Wheat (AO.)	42	42	42	0	10	42.00	42.00
Wheat (AP.)	46	46	46	0	10	46.00	46.00
Wheat (AQ.)	42	42	42	0	10	42.00	42.00
Wheat (AR.)	46	46	46	0	10	46.00	46.00
Wheat (AS.)	42	42	42	0	10	42.00	42.00
Wheat (AT.)	46	46	46	0	10	46.00	46.00
Wheat (AU.)	42	42	42	0	10	42.00	42.00
Wheat (AV.)	46	46	46	0	10	46.00	46.00
Wheat (AW.)	42	42	42	0	10	42.00	42.00
Wheat (AX.)	46	46	46	0	10	46.00	46.00
Wheat (AY.)	42	42	42	0	10	42.00	42.00
Wheat (AZ.)	46	46	46	0	10	46.00	46.00
Wheat (BA.)	42	42	42	0	10	42.00	42.00
Wheat (BB.)	46	46	46	0	10	46.00	46.00
Wheat (BC.)	42	42	42	0	10	42.00	42.00
Wheat (BD.)	46	46	46	0	10	46.00	46.00
Wheat (BE.)	42	42	42	0	10	42.00	42.00
Wheat (BF.)	46	46	46	0	10	46.00	46.00
Wheat (BG.)	42	42	42	0	10	42.00	42.00
Wheat (BH.)	46	46	46	0	10	46.00	46.00
Wheat (BI.)	42	42	42	0	10	42.00	42.00
Wheat (BJ.)	46	46	46	0	10	46.00	46.00
Wheat (BK.)	42	42	42	0	10	42.00	42.00
Wheat (BL.)	46	46	46	0	10	46.00	46.00
Wheat (BM.)	42	42	42	0	10	42.00	42.00
Wheat (BN.)	46	46	46	0	10	46.00	46.00
Wheat (BO.)	42	42	42	0	10	42.00	42.00
Wheat (BP.)	46	46	46	0	10	46.00	46.00
Wheat (BQ.)	42	42	42	0	10	42.00	42.00
Wheat (BR.)	46	46	46	0	10	46.00	46.00
Wheat (BS.)	42	42	42	0	10	42.00	42.00
Wheat (BT.)	46	46	46	0	10	46.00	46.00
Wheat (BU.)	42	42	42	0	10	42.00	42.00
Wheat (BV.)	46	46	46	0	10	46.00	46.00
Wheat (BW.)	42	42	42	0	10	42.00	42.00
Wheat (BX.)	46	46	46	0	10	46.00	46.00
Wheat (BY.)	42	42	42	0	10	42.00	42.00
Wheat (BZ.)	46	46	46	0	10	46.00	46.00
Wheat (CA.)	42	42	42	0	10	42.00	42.00
Wheat (CB.)	46	46	46	0	10	46.00	46.00
Wheat (CC.)	42	42	42	0	10	42.00	42.00
Wheat (CD.)	46	46	46	0	10	46.00	46.00
Wheat (CE.)	42	42	42	0	10	42.00	42.00
Wheat (CF.)	46	46	46	0	10	46.00	46.00
Wheat (CG.)	42	42	42	0	10	42.00	42.00
Wheat (CH.)	46	46	46	0	10	46.00	46.00
Wheat (CI.)	42	42	42	0	10	42.00	42.00
Wheat (CJ.)	46	46	46	0	10	46.00	46.00
Wheat (CK.)	42	42	42	0	10	42.00	42.00
Wheat (CL.)	46	46	46	0	10	46.00	46.00
Wheat (CM.)	42	42	42	0	10	42.00	42.00
Wheat (CN.)	46	46	46	0	10	46.00	46.00
Wheat (CO.)	42	42	42	0	10	42.00	42.00
Wheat (CP.)	46	46	46	0	10	46.00	46.00
Wheat (CQ.)	42	42	42	0	10	42.00	42.00
Wheat (CR.)	46	46	46	0	10	46.00	46.00
Wheat (CS.)	42	42	42	0	10	42.00	42.00
Wheat (CT.)	46	46	46	0	10	46.00	46.00
Wheat (CU.)	42	42	42	0	10	42.00	42.00
Wheat (CV.)	46	46	46	0	10	46.00	46.00
Wheat (CW.)	42	42	42	0	10	42.00	42.00
Wheat (CX.)	46	46	46	0	10	46.00	46.00
Wheat (CY.)	42	42	42	0	10	42.00	42.00
Wheat (CZ.)	46	46	46	0	10	46.00	46.00
Wheat (DA.)	42	42	42	0	10	42.00	42.00
Wheat (DB.)	46	46	46	0	10	46.00	46.00
Wheat (DC.)	42	42	42	0	10	42.00	42.00
Wheat (DD.)	46	46	46	0	10	46.00	46.00
Wheat (DE.)	42	42	42	0	10	42.00	42.00
Wheat (DF.)	46	46	46	0	10	46.00	46.00
Wheat (DG.)	42	42	42	0	10	42.00	42.00
Wheat (DH.)	46	46	46	0	10	46.00	46.00
Wheat (DI.)	42	42	42	0	10	42.00	42.00
Wheat (DJ.)	46	46	46	0	10	46.00	46.00
Wheat (DK.)	42	42	42	0	10	42.00	42.00
Wheat (DL.)	46	46	46	0	10	46.00	46.00
Wheat (DM.)	42	42	42	0	10	42.00	42.00
Wheat (DN.)	46	46	46	0	10	46.00	46.00
Wheat (DO.)	42	42	42	0	10	42.00	42.00
Wheat (DP.)	46	46	46	0	10	46.00	46.00
Wheat (DQ.)	42	42	42	0	10	42.00	42.00
Wheat (DR.)	46	46	46	0	10	46.00	46.00
Wheat (DS.)	42	42	42	0	10	42.00	42.00
Wheat (DT.)	46	46	46	0	10	46.00	46.00
Wheat (DU.)	42	42	42	0	10	42.00	42.00
Wheat (DV.)	46	46	46	0	10	46.00	46.00
Wheat (DW.)	42	42	42	0	10	42.00	42.00
Wheat (DX.)	46	46	46	0	10	46.00	46.00
Wheat (DY.)	42	42	42	0	10	42.00	42.00
Wheat (DZ.)	46	46	46	0	10	46.00	46.00
Wheat (EA.)	42	42	42	0	10	42.00	42.00
Wheat (EB.)	46	46	46	0	10	46.00	46.00
Wheat (EC.)	42	42	42	0	10	42.00	42.00
Wheat (ED.)	46	46	46	0	10	46.00	46.00
Wheat (EE.)	42	42	42	0	10	42.00	42.00
Wheat (EF.)	46	46	46	0	10	46.00	46.00
Wheat (EG.)	42	42	42	0	10	42.00	42.00
Wheat (EH.)	46	46	46	0	10	46.00	46.00
Wheat (EI.)	42	42	42	0	10	42.00	42.00
Wheat (EJ.)	46	46	46	0	10	46.00	46.00
Wheat (EK.)	42	42	42	0	10	42.00	42.00
Wheat (EL.)	46	46	46	0	10	46.00	46.00
Wheat (EM.)	42	42	42	0	10	42.00	42.00
Wheat (EN.)	46	46	46	0	10	46.00	46.00
Wheat (EO.)	42	42	42	0	10	42.00	42.00
Wheat (EP.)	46	46	46	0	10	46.00	46.00
Wheat (EQ.)	42	42	42	0	10	42.00	42.00
Wheat (ER.)	46	46	46	0	10	46.00	46.00
Wheat (ES.)	42	42	42	0	10	42.00	42.00
Wheat (ET.)	46	46	46	0	10	46.00	46.00
Wheat (EU.)	42	42	42	0	10	42.00	42.00
Wheat (EV.)	46	46	46	0	10	46.00	46.00
Wheat (EW.)	42	42	42	0	10	42.00	42.00
Wheat (EX.)	46	46	46	0	10	46.00	46.00
Wheat (EY.)	42	42	42	0	10	42.00	42.00
Wheat (EZ.)	46	46	46	0	10	46.00	46.00
Wheat (FA.)	42	42	42	0	10	42.00	42.00
Wheat (FB.)	46	46	46	0	10	46.00	46.00
Wheat (FC.)	42	42	42	0	10	42.00	42.00
Wheat (FD.)	46	46	46	0	10	46.00	46.00
Wheat (FE.)	42	42	42	0	10	42.00	42.00
Wheat (FF.)	46	46	46	0	10	46.00	46.00
Wheat (FG.)	42	42	42	0	10	42.00	42.00
Wheat (FH.)	46	46	46	0	10	46.00	46.00
Wheat (FI.)	42	42	42	0	10	42.00	42.00
Wheat (FJ.)	46	46	46	0	10	46.00	46.00
Wheat (FK.)	42	42	42	0	10	42.00	42.00
Wheat (FL.)	46	46	46	0	10	46.00	46.00
Wheat (FM.)	42	42	42	0	10	42.00	42.00
Wheat (FN.)	46	46	46	0	10	46.00	46.00
Wheat (FO.)	42	42	42	0	10	42.00	42.00
Wheat (FP.)	46	46	46	0	10	46.00	46.00
Wheat (FQ.)	42	42	42	0	10	42.00	42.00
Wheat (FR.)	46	46	46	0	10	46.00	46.00
Wheat (FS.)	42	42	42	0	10	42.00	42.00
Wheat (FT.)	46	46	46	0	10	46.00	46.00
Wheat (FU.)	42</						

**ENGINEERING—Cont.**

[illegible]

## CHEMICALS, PLASTICS

900	Alamo F.L. 20p	61.94	-3	802.74	3.21
901	Alfred Hitchcock 10p	1.00	-1	803.74	3.21
902	Algonquin 10p	1.00	-1	804.74	3.21
903	Algonquin 10p	1.00	-1	805.74	3.21
904	Algonquin 10p	1.00	-1	806.74	3.21
905	Algonquin 10p	1.00	-1	807.74	3.21
906	Algonquin 10p	1.00	-1	808.74	3.21
907	Algonquin 10p	1.00	-1	809.74	3.21
908	Algonquin 10p	1.00	-1	810.74	3.21
909	Algonquin 10p	1.00	-1	811.74	3.21
910	Algonquin 10p	1.00	-1	812.74	3.21
911	Algonquin 10p	1.00	-1	813.74	3.21
912	Algonquin 10p	1.00	-1	814.74	3.21
913	Algonquin 10p	1.00	-1	815.74	3.21
914	Algonquin 10p	1.00	-1	816.74	3.21
915	Algonquin 10p	1.00	-1	817.74	3.21
916	Algonquin 10p	1.00	-1	818.74	3.21
917	Algonquin 10p	1.00	-1	819.74	3.21
918	Algonquin 10p	1.00	-1	820.74	3.21
919	Algonquin 10p	1.00	-1	821.74	3.21
920	Algonquin 10p	1.00	-1	822.74	3.21
921	Algonquin 10p	1.00	-1	823.74	3.21
922	Algonquin 10p	1.00	-1	824.74	3.21
923	Algonquin 10p	1.00	-1	825.74	3.21
924	Algonquin 10p	1.00	-1	826.74	3.21
925	Algonquin 10p	1.00	-1	827.74	3.21
926	Algonquin 10p	1.00	-1	828.74	3.21
927	Algonquin 10p	1.00	-1	829.74	3.21
928	Algonquin 10p	1.00	-1	830.74	3.21
929	Algonquin 10p	1.00	-1	831.74	3.21
930	Algonquin 10p	1.00	-1	832.74	3.21
931	Algonquin 10p	1.00	-1	833.74	3.21
932	Algonquin 10p	1.00	-1	834.74	3.21
933	Algonquin 10p	1.00	-1	835.74	3.21
934	Algonquin 10p	1.00	-1	836.74	3.21
935	Algonquin 10p	1.00	-1	837.74	3.21
936	Algonquin 10p	1.00	-1	838.74	3.21
937	Algonquin 10p	1.00	-1	839.74	3.21
938	Algonquin 10p	1.00	-1	840.74	3.21
939	Algonquin 10p	1.00	-1	841.74	3.21
940	Algonquin 10p	1.00	-1	842.74	3.21
941	Algonquin 10p	1.00	-1	843.74	3.21
942	Algonquin 10p	1.00	-1	844.74	3.21
943	Algonquin 10p	1.00	-1	845.74	3.21
944	Algonquin 10p	1.00	-1	846.74	3.21
945	Algonquin 10p	1.00	-1	847.74	3.21
946	Algonquin 10p	1.00	-1	848.74	3.21
947	Algonquin 10p	1.00	-1	849.74	3.21
948	Algonquin 10p	1.00	-1	850.74	3.21
949	Algonquin 10p	1.00	-1	851.74	3.21
950	Algonquin 10p	1.00	-1	852.74	3.21
951	Algonquin 10p	1.00	-1	853.74	3.21
952	Algonquin 10p	1.00	-1	854.74	3.21
953	Algonquin 10p	1.00	-1	855.74	3.21
954	Algonquin 10p	1.00	-1	856.74	3.21
955	Algonquin 10p	1.00	-1	857.74	3.21
956	Algonquin 10p	1.00	-1	858.74	3.21
957	Algonquin 10p	1.00	-1	859.74	3.21
958	Algonquin 10p	1.00	-1	860.74	3.21
959	Algonquin 10p	1.00	-1	861.74	3.21
960	Algonquin 10p	1.00	-1	862.74	3.21
961	Algonquin 10p	1.00	-1	863.74	3.21
962	Algonquin 10p	1.00	-1	864.74	3.21
963	Algonquin 10p	1.00	-1	865.74	3.21
964	Algonquin 10p	1.00	-1	866.74	3.21
965	Algonquin 10p	1.00	-1	867.74	3.21
966	Algonquin 10p	1.00	-1	868.74	3.21
967	Algonquin 10p	1.00	-1	869.74	3.21
968	Algonquin 10p	1.00	-1	870.74	3.21
969	Algonquin 10p	1.00	-1	871.74	3.21
970	Algonquin 10p	1.00	-1	872.74	3.21
971	Algonquin 10p	1.00	-1	873.74	3.21
972	Algonquin 10p	1.00	-1	874.74	3.21
973	Algonquin 10p	1.00	-1	875.74	3.21
974	Algonquin 10p	1.00	-1	876.74	3.21
975	Algonquin 10p	1.00	-1	877.74	3.21
976	Algonquin 10p	1.00	-1	878.74	3.21
977	Algonquin 10p	1.00	-1	879.74	3.21
978	Algonquin 10p	1.00	-1	880.74	3.21
979	Algonquin 10p	1.00	-1	881.74	3.21
980	Algonquin 10p	1.00	-1	882.74	3.21
981	Algonquin 10p	1.00	-1	883.74	3.21
982	Algonquin 10p	1.00	-1	884.74	3.21
983	Algonquin 10p	1.00	-1	885.74	3.21
984	Algonquin 10p	1.00	-1	886.74	3.21
985	Algonquin 10p	1.00	-1	887.74	3.21
986	Algonquin 10p	1.00	-1	888.74	3.21
987	Algonquin 10p	1.00	-1	889.74	3.21
988	Algonquin 10p	1.00	-1	890.74	3.21
989	Algonquin 10p	1.00	-1	891.74	3.21
990	Algonquin 10p	1.00	-1	892.74	3.21
991	Algonquin 10p	1.00	-1	893.74	3.21
992	Algonquin 10p	1.00	-1	894.74	3.21
993	Algonquin 10p	1.00	-1	895.74	3.21
994	Algonquin 10p	1.00	-1	896.74	3.21
995	Algonquin 10p	1.00	-1	897.74	3.21
996	Algonquin 10p	1.00	-1	898.74	3.21
997	Algonquin 10p	1.00	-1	899.74	3.21
998	Algonquin 10p	1.00	-1	900.74	3.21
999	Algonquin 10p	1.00	-1	901.74	3.21
1000	Algonquin 10p	1.00	-1	902.74	3.21

88	17	M.K. Electric	82	-2	+20	19	3.82
36	10	M.T.E. 10p	35	-----	+1.66	25	7.3
			311		2.03	38	4.25

[illegible]

Rotork 10p	139	+0.82
Sandison Kayser	55	3.58

Belgium (1990)	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	246	2
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### CINEMAS, THEATRES AND TV

24	Anglia TV "A"	116	-----	6.8	0
22	Am. Tele. "A"	77m	-----	13.9	1.6
20	Granma "A" 10p.	21	-1	20.35	---
19	Howrd Wy d 30p.	21 1/2	-----	---	---
13	R.T.V.	56	-3	4.25	1.67
9	Radio TV Pkt. Ki.	54	-----	5.95	19.42
8	Scott. TV "A" 10p	22	+3	---	---
6	Tridn TV "A" 10p.	36	-----	2.11	1.1
11	Ulster TV "A"	40	-2	3.2	1.4
6	W. Ireland TV 30p.	14 1/2	-----	1.0	1.3

85	£58	Alcan 9% Cns	£74	-2	Q9%	8.6	12.3
79	29	Atten (R) Railway	75	-4	83.76	3.9	7.7

42	13	Allen W.G.	40	2.33	2.7	2.2
45	13	Allen's n Corp.	47	+2	2.96	3.2
52	15	Amal. Power	50		3.05	2.7
54	20	Amal. Schyde Ship	44	+4	12.12	1.9
56	20	Anglo Swiss	32		33.17	7.4
59	48	Asst. & Lacy	196		15.4	2.5
62	34	Asst. British 128-cp	5			7.7
63	34	Assoc. Tooling	27		41.01	3.2
64	34	Assoc. Tooling	164		10.53	5.0
67	37	Aurora Elec. Sps	58		4.48	10.3
77	37	Aurora General	67	-2	3.9	5.0

Williams (W)*	25	101.55
Wms & Jms Sp.	81 <sub>2</sub>	0.37

Wolf SL Tools	110	2.89
Wolsey Hughes	130 <sup>W</sup>	15.0
Wolv'n De 10p	12	0.7
W. Wall Fdy 10p	19	0.97
Wood (S.W.) 20p	37	03.19
W'seffix 12p	42 <sup>1/2</sup>	12.34
Young A's & Y	82	5.63

## DRAPERY AND STORES

[illegible]

26	9	Banfields 30p	25	0.75	6.8	4.6
44	18	Barton & Sons	44	2.49	3.7	8.7

32	Base (F) 100	47	53	53	12	11	11	11	11
33	Beamed Up	47	53	53	12	11	11	11	11
34	Beamed Up	47	53	53	12	11	11	11	11
35	Beamed Up	47	53	53	12	11	11	11	11
36	Beamed Up	47	53	53	12	11	11	11	11
37	Beamed Up	47	53	53	12	11	11	11	11
38	Beamed Up	47	53	53	12	11	11	11	11
39	Beamed Up	47	53	53	12	11	11	11	11
40	Beamed Up	47	53	53	12	11	11	11	11
41	Beamed Up	47	53	53	12	11	11	11	11
42	Beamed Up	47	53	53	12	11	11	11	11
43	Beamed Up	47	53	53	12	11	11	11	11
44	Beamed Up	47	53	53	12	11	11	11	11
45	Beamed Up	47	53	53	12	11	11	11	11
46	Beamed Up	47	53	53	12	11	11	11	11
47	Beamed Up	47	53	53	12	11	11	11	11
48	Beamed Up	47	53	53	12	11	11	11	11
49	Beamed Up	47	53	53	12	11	11	11	11
50	Beamed Up	47	53	53	12	11	11	11	11
51	Beamed Up	47	53	53	12	11	11	11	11
52	Beamed Up	47	53	53	12	11	11	11	11
53	Beamed Up	47	53	53	12	11	11	11	11
54	Beamed Up	47	53	53	12	11	11	11	11
55	Beamed Up	47	53	53	12	11	11	11	11
56	Beamed Up	47	53	53	12	11	11	11	11
57	Beamed Up	47	53	53	12	11	11	11	11
58	Beamed Up	47	53	53	12	11	11	11	11
59	Beamed Up	47	53	53	12	11	11	11	11
60	Beamed Up	47	53	53	12	11	11	11	11
61	Beamed Up	47	53	53	12	11	11	11	11
62	Beamed Up	47	53	53	12	11	11	11	11
63	Beamed Up	47	53	53	12	11	11	11	11
64	Beamed Up	47	53	53	12	11	11	11	11
65	Beamed Up	47	53	53	12	11	11	11	11
66	Beamed Up	47	53	53	12	11	11	11	11
67	Beamed Up	47	53	53	12	11	11	11	11
68	Beamed Up	47	53	53	12	11	11	11	11
69	Beamed Up	47	53	53	12	11	11	11	11
70	Beamed Up	47	53	53	12	11	11	11	11
71	Beamed Up	47	53	53	12	11	11	11	11
72	Beamed Up	47	53	53	12	11	11	11	11
73	Beamed Up	47	53	53	12	11	11	11	11
74	Beamed Up	47	53	53	12	11	11	11	11
75	Beamed Up	47	53	53	12	11	11	11	11
76	Beamed Up	47	53	53	12	11	11	11	11
77	Beamed Up	47	53	53	12	11	11	11	11
78	Beamed Up	47	53	53	12	11	11	11	11
79	Beamed Up	47	53	53	12	11	11	11	11
80	Beamed Up	47	53	53	12	11	11	11	11
81	Beamed Up	47	53	53	12	11	11	11	11
82	Beamed Up	47	53	53	12	11	11	11	11
83	Beamed Up	47	53	53	12	11	11	11	11
84	Beamed Up	47	53	53	12	11	11	11	11
85	Beamed Up	47	53	53	12	11	11	11	11

Alpine Soft D 10p	115	-2	75.6
Ass. Circuit 20p	78	-1	82.41

[illegible]

17	NSS News 10p	60	-1	1.73	3.3
22	Owen Owen	67	---	12.18	5.4

12	Paradise (S) 10p.	21	2.21
14	Performer Show 10p.	22	3.91
15	Philly Rock 10p.	23	1.11
16	Philly 10p.	24	1.17
17	Queen (S) 10p.	25	4.0
18	Queen (S) 10p.	26	4.0
19	Ramsey Tact. Sp.	27	4.5
20	Ramsey Tact. Sp.	28	4.5
21	Ramsey Tact. Sp.	29	4.5
22	Ramsey Tact. Sp.	30	4.5
23	Ramsey Tact. Sp.	31	4.5
24	Ramsey Tact. Sp.	32	4.5
25	Ramsey Tact. Sp.	33	4.5
26	Ramsey Tact. Sp.	34	4.5
27	Ramsey Tact. Sp.	35	4.5
28	Ramsey Tact. Sp.	36	4.5
29	Ramsey Tact. Sp.	37	4.5
30	Ramsey Tact. Sp.	38	4.5
31	Ramsey Tact. Sp.	39	4.5
32	Ramsey Tact. Sp.	40	4.5
33	Ramsey Tact. Sp.	41	4.5
34	Ramsey Tact. Sp.	42	4.5
35	Ramsey Tact. Sp.	43	4.5
36	Ramsey Tact. Sp.	44	4.5
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### HOTELS--Continued

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# FINANCIAL TIMES

Tuesday February 10 1976

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## EEC and Greece to start talks

By Reginald Dale, Common Market Correspondent

BRUSSELS, Feb. 9.

THE NINE EEC countries to-night unanimously backed Greece's bid to join the Community and decided to open entry negotiations.

The Nine ruled out the kind of intermediate "pre-membership" phase envisaged by the Brussels Commission and said preparations for the entry negotiations should get under way as soon as possible "in a positive spirit".

Nevertheless, it is clear that the entry negotiations are likely to be long and difficult. Few people to-night were prepared to hazard a firm prediction as to when Greece would become the Community's tenth member.

However, M. Gaston Thorn, the Council president, indicated that the Nine thought Greek entry should be possible before the end of the decade.

Announcing the Nine's decision, M. Thorn also stressed that there were no political pre-conditions attached to Greek membership. Athens has reacted sharply to suggestions that the dispute with Turkey or Greece's relations with Nato should in any way bear on the entry negotiations.

At to-night's Council meeting, Foreign Ministers of the Nine were clearly anxious to dissociate themselves from the recommendations of the Commission, which caused a major political storm in Greece when published at the end of last month.

The Commission urged putting off Greek membership until the country's economy had been brought more closely into line with those of present member countries.

Accusing the Commission of "betrayal", the Greek Government threatened to withdraw its application if the Nine followed the Commission in imposing "humiliating" conditions.

Officials here were to-night suggesting that entry negotiations could start in about six months, judging by the time it took to get the British entry negotiations off the ground in 1970.

Mr. James Callaghan, Foreign Secretary, said there had been no discussion of other countries joining the Community and he appeared to exclude any early application by anyone else.

However, Spain has made it clear that it is now aiming at full membership and is admitted in Brussels that it will be much more difficult for the Community to turn down other countries such as Turkey, Portugal or Cyprus that might apply later.

EEC and Canada discuss trade pact, Page 6

## Holland and Japan begin probes over Lockheed

By MICHAEL VAN OS  
Amsterdam and  
CHARLES SMITH in Tokyo

THE DUTCH Cabinet met yesterday to appoint investigators into the alleged \$1.1m payment to Prince Bernhard by Lockheed, and the Japanese Deputy Foreign Minister flew to Washington to inquire into the bribery charges made against his country's leading public figures.

In Holland, the political parties gave a unanimous welcome to the proposal for an independent inquiry. Although they refused to predict the outcome, it is fully realised that it could mean the ultimate abdication of Queen Juliana if the Lockheed allegations against her husband are found to be correct.

Dutch reaction to the renewed allegations was still one of complete disbelief yesterday, after Press reports last year which mentioned Prince Bernhard's name had been virtually ignored.

Although major Left-wing parties "tolerate" the Royal Family rather than actively support it, public backing for the monarchy is such that the Government will have to tread extremely carefully. Indeed, Mr. Joop den Uyl, the Premier, warned on television that "no one in Holland is guilty until it is proven".

Meanwhile, the Japanese Government sent Mr. Keisuke Arita, Deputy Foreign Minister, to Washington and decided to summon before the Diet some of the men so far named as Lockheed agents, or recipients of its pay-off.

One man understood to be involved is known to be a close associate of both former Prime Minister Kakuei Tanaka and former Prime Minister Kishi, who was in power when the Lockheed F104 Starfighter was selected by Japan's Self-Defence Agency in 1969.

Other developments Page 4

## French plan for 3-nation European Executive

By ROBERT MAUTHNER

PARIS, Feb. 9.

FRANCE IS floating the idea of some kind of European "directoire"—a slimmed down European Council composed of no more than three countries—as the only way to improve the decision-making machinery of the European Community.

Although there has been no official confirmation that a proposal to this effect will be made by President Giscard d'Estaing at the next meeting of the European Council in Luxembourg on April 1 and 2, what are clearly inspired reports appeared in several French newspapers to-day.

There can be little doubt that the question will be raised by M. Giscard when he meets Herr Helmut Schmidt, West German Chancellor, in Nice at the end of next week.

The idea of a European "directoire" is ominously reminiscent of the famous "Soames affair" of 1969, when General de Gaulle proposed a directory of France, West Germany, Britain and Italy as a condition of Britain's entry into the Common Market, only to be met by a storm of protest from the Benelux countries when the

secret offer was "leaked" to the Press.

This time, however, the French appear to be going out of their way to avoid the criticism that they want to establish a tripartite hegemony over Europe by associating the smaller European countries with their scheme.

The new body, according to French ideas, should be composed of two "major" members of the Common Market and one of the smaller countries. It could have a rotating membership, but this would not necessarily be automatic.

The personalities of leading European statesmen should be taken into consideration. Thus, someone like M. Gaston Thorn, the Luxembourg Prime Minister, whose personal influence is out of all proportion to that of his country, would clearly be a suitable candidate.

French thinking on the subject has been inspired mainly by President Giscard's dissatisfaction with the Tindemans report on the future development of the European Communities, which is considered here to have been too much of a compromise between widely differing positions of the member countries.

In attempting to be all things to all men, Mr. Leo Tindemans, Belgian Prime Minister, is considered by President Giscard to have made proposals which would produce decisions based on the lowest common denominator of the various national policies.

Instead of increasing the European Commission's powers, which the French believe would inevitably lead to conflicts with the Council of Ministers, Paris wants to increase the efficiency of the European Council.

This body meets regularly at Heads of Government level three times a year, to provide a counterweight to a directly elected European Parliament.

The European Council, however, would become unwieldy if membership of the Community is further increased and that is why a smaller, more efficient institution would be required to maintain the Community's dynamism.

French ideas on the subject are clearly still very shaky and no explanation has so far been forthcoming on how clashes between the proposed European directory and a European Parliament elected by universal suffrage could be avoided.

## Rolls and NEB 'peace talks'

By MICHAEL DONNE AND ADRIAN HAMILTON

URGENT EFFORTS were made yesterday at a meeting between Sir Kenneth Keith, chairman of Rolls-Royce (1971), and Lord Ryder, chairman of the National Enterprise Board, to defuse a potentially explosive argument between the two.

The meeting, also attended by Lord Goodman, retained as adviser by Rolls-Royce, and Sir Antony Part, Permanent Secretary, Industry Department, followed a fierce public effort by Rolls-Royce to define a special relationship to the Government, which is taking over the State's 100 per cent. shares in the company.

Although no statement was issued after the meeting beyond the comments that "useful progress" had been made and that the tenor had been "constructive", it seems clear that agreement has been reached to take the issue out of public debate until a compromise can be worked out by Lord Goodman.

This will almost certainly have to include some acceptance on Rolls-Royce's part of a regular

reporting role on financial questions to the NEB in return for an agreement by the NEB that Rolls-Royce, because of the special nature of its role in aerospace development, will continue to operate on different, more independent, lines than the other companies in the NEB's stable.

The difficulties appear to have emerged because of a lack of definition of the Government's part as to the precise relationship of Rolls-Royce to the Department of Industry on the one hand, and the NEB on the other.

Lord Ryder has taken the view that Rolls-Royce should be treated broadly on the same lines as Ferranti, Leyland and Alfred Herbert—that is, it should report regularly back to the NEB on its financial targets and progress on the traditional lines of a subsidiary to its parent company.

In the Rolls view, however, this would have interposed another layer of decision-taking between that company and the

Government, at a time when major decisions on the capitalisation of the company and the financing of new aero-engine ventures is imminent.

Rolls argues that it already has a Government guarantee of freedom of action, and this has been interpreted liberally by Sir Kenneth in recent months—has not hesitated to take his opinions to the Prime Minister when he thought necessary.

It was as much fear of losing this direct access to the Government, as fear of day-to-day interference by the NEB, that brought about the clash of views between Rolls and the NEB that has now come into the open.

Since the Government is not in a position to back down from its plan to vest its Rolls-Royce holding in the NEB, and the Rolls board is firm in its own insistence on retaining a complete measure of freedom of action, it seems clear that some compromise solution will have to be found, and that this will now be Lord Goodman's role.

## Spain devalues peseta by 11%

By ROGER MATTHEWS

BARCELONA, Feb. 9.

THE SPANISH Government to-day effectively devalued the peseta by nearly 11 per cent. against the dollar, only days after Sir Juan Villar Mir, the Finance Minister, privately told leading bankers that he was not considering any adjustment in the parity.

An official statement said that the decision had been taken because of recent strong movements in international money markets and referred particularly to heavy pressure against the Italian lira. It was therefore necessary to defend the peseta against speculation.

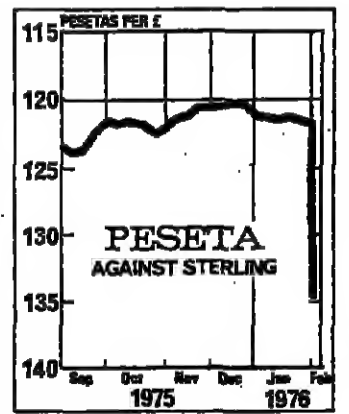
The devaluation, officially described as a "readjustment," is designed to stimulate Spain's flagging exports and perhaps narrow the \$2,800m. balance of payments deficit. But it will also increase the rate of inflation.

According to official figures, the inflation rate for last year was marginally over 14 per cent., a drop of nearly 4 per cent. over the previous year.

Some economists consider that to-day's decision could add as much as 5 per cent. to the inflation rate in a fairly brief period, exacerbating an already difficult labour situation.

On the other hand the export stimulus could help reduce unemployment, which unpublished official statistics put at over 9 per cent. of the active workforce.

Banking sources in Madrid said that they were called at about 9.30 a.m. by the Bank of Spain to be told that the peseta rate against the dollar would be



Fixed to-day at an upper and lower intervention rate of Ptas.66.50 and Ptas.66.70.

The banks were told that the word devaluation was not going to be used.

The D-Mark was fixed shortly after mid-day at between Ptas.25.935 and Ptas.26.066.

Bankers stressed that the strongly interventionist policy of the Spanish Government would permit further adjustments of individual currency rates against the peseta. Technically the reduction in the value of the peseta against the dollar is not an across-the-board devaluation.

Arriving in Seville yesterday, the Spanish Airlines was last night the Peseta closed at 134.925 to the pound, against a Friday close of 121.7. This is welcome news for tourists, in the middle of the winter season.

By summer, Britain's package

holidaymakers may receive small refunds on their original payments, instead of the surcharges they have come to expect.

But hundreds of thousands of British holidaymakers may have to pay more for their holidays over the next few months than necessary in the wake of Spanish devaluation—because they chose to be cautious.

Price "guarantees" from tour operators have been highly popular with holidaymakers this year. But in order to give these guarantees tour operators have been buying currency forward on a substantial scale.

In recent weeks companies have been buying pesetas for use in spring, and now find they could have bought them more cheaply if they had waited.

Laker Air Tours said last night that it could be eight to ten weeks before the benefits of the Spanish move were passed on to holidaymakers.

Dozens of other companies which guarantee prices on the final invoices have been issued—usually eight weeks ahead of departure—are in the same position.

These guarantees have been highly popular with customers and probably affect the bulk of this year's package tour business.

About 3.5m. Britons are likely to go to Spain this year, a little over 2m. of them on package tours.

Industry hopes for benefit

Page 4

Editorial comment Page 14

Continued from Page 1

## TUC seeks £2bn. boost

The TUC, however, makes it clear in the latest instalments of the draft document now being studied closely by TUC leaders, that the "unity of purpose and method" which has been applied to the problem of inflation over the past two years should now be turned towards tackling unemployment and the country's industrial obsolescence.

This underlines the TUC's preoccupation at present with the Government's new industrial strategy and the need for union leaders to be able to persuade their members to continue tolerating high levels of unemployment.

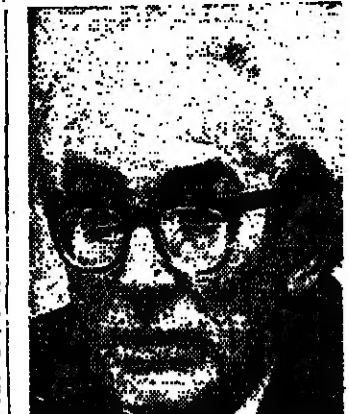
Reflecting some frustration at their failure to persuade the Government to adopt a more radical policy, the TUC's draft document says the unions would have liked the Govern-

ment to have been "more expansionary" over the past two years and insists that an employment objective be set.

The TUC wants this objective to be to reduce unemployment to 600,000 by 1978. It outlines its overall policy in a chapter on the "role of the Budget" which calls for "balanced growth" and says this means "action on investment and the balance of trade as well as on current spending."

This would not mean boosting consumer spending faster than economic output and should not be put off until next year, says the TUC. That would be too late to reach the unemployment target of 1978—a year presumably chosen by the TUC because it is a likely time for the next general election if the present Government runs near to its full course.

On import controls, the TUC calls for wide-ranging but



Mr. Foot... expected to outline concessions.

## Bid to beat Dock Work Bill revolt

By Richard Evans, Lobby Correspondent

GOVERNMENT concessions on the controversial Dock Work Regulation Bill, to be outlined in the Commons to-day by Mr. Michael Foot, Employment Secretary, should prevent a revolt by Labour MPs in what promises to be the fiercest voting battle of the present Parliament.

To meet the criticisms of rival unions to the Transport and General Workers' Union, Mr. Foot will announce that deposits which have an existing agreement with dock unions will be offered exemptions from registration under the proposed new Dock Labour Scheme.

This concession particularly affects warehouses and cold storage depots, which have in the past not been worked by registered dockers.

This legislation, which seeks to extend the dock labour scheme to all cargo-handling establishments within five miles of a waterfront, had to be delayed before Christmas because of protests from the unions.

These included the National Union of Railwaymen, the General and Municipal Workers' Union, and the Transport Salaried Staffs Association, who feared their jobs would be taken by dockworkers from the TGWU.

Although Mr. Foot could not alter the Bill immediately, because it had already received its first reading, he promised to introduce amendments during the committee stage.

Ministers are now confident the legislation will receive the support of all Labour MPs, including those sponsored by the critical unions.

But its passage through Parliament is bound to be hazardous because it is strongly opposed by the Conservative, Liberal, Ulster Unionist and the Nationalist parties.

With a nominal overall majority of just one, and in the face of the combined challenge from all opposition parties, the Government Whips were nervously preparing yesterday for the division.

At best, the Government is unlikely to win by more than a handful, and further progress will have to be faced during the committee stage.

Editorial comment Page 14

## Weather

COLD AND SHOWERY with clear intervals and rain particularly in Western areas exposed to strong winds.

London, E. Anglia, Southern England, the Midlands, E. England, Northern England.

Dry and sunny at first scattered rain later with sleet or snow. Wind fresh. Max. 6C (43F).

Channel Isles, S.W. England. Showers and intervals. Winds fresh. Max 7C (45F).

Wales, N.W. England, Lakes. Frequent showers with sleet or snow on high ground. Winds strong to gale. Max. 6C (41F).

W. England, N. Ireland. Dry and sunny with night frost. Showers later with snow on hills. Winds strong to gale. Max. 4C (39F).

Outlook: Bright intervals and wintry showers, especially in the North.

Light-up: London 17.34, Manchester 17.37, Glasgow 17.38, Belfast 17.49.

BUSINESS CENTRES

HOLIDAY RESORTS

## THE LEX COLUMN

# Growing impact of pension funds

Yesterday's market movements followed the pattern which has been emerging in the past few weeks of equities performing very much in line with gilt-edged.

To some extent this may be because the Bank of England has been taking a leaf out of the Fed's book and following—at least to some extent—a money supply policy.

But the increasing domination of the stock market by the long-term institutions—notably the pension funds—can also be expected to have this effect.

Actuarial calculations, after all, are based very firmly upon yields, and very little upon market prices as such. In this, the long-term life insurance funds and the pension funds behave rather differently to

Index fell 8.1 to 399.6

panies, meanwhile, were concentrating on gilts, with purchases of over £1bn.

Incidentally, the figures reveal how the year-end burst of gilt-edged buying was financed, for the buoyant inflow of new money meant that the combined liquidity of pension funds and insurance

companies, some £3.4bn. at the end of 1974, had only been run down to £3.1bn. by September.

The rise of the pension funds can be expected to have several implications. First, it makes equities more vulnerable to yield gap considerations at such times as long gilt yields are high, as they were in the autumn.

An actuary can only justify buying equities with a yield gap over 9 per cent. if he can confidently project longer term dividend growth of at least that rate per annum. The fall in long gilt yields has cut the yield gap to about 8.4 per cent., which is less than the recent actual dividend growth rate; but some fund managers are looking anxiously to the possibility of a reduced dividend growth limit to, say, 7½ per cent. as part of the Stage 2 wages package.

Secondly, limitations of marketability for many shares make pension funds keen on rights issues and large secondary placings as a passive way of investing in equities. Indeed, the pattern of last year's equity investment—peaking in the second quarter—reflects the incidence of rights issues more than anything else.

The final point is that the rise of the big funds and the fading away of individual shareholders (individuals sold over £1.1bn. net of company securities in the first nine months of 1975) favours the large company as against the small. But we are still some way short of the point at which it would be right to start talking about a two-tier market.

Small shareholders

The costs to a company of servicing its small shareholders can be considerably greater than the dividend paid to them, and costs to a small shareholder of realising an investment can be equally onerous. The minimum Stock Exchange commission is now £7, although it is discretionary on very small deals. Cosalt, which has come up with a scheme to resolve this impasse, estimates that it

costs £5 a year to service name on its register, equivalent to the divi 185 shares.

Partly as a result of as a co-operative, a third of its shareholders recently own under 3½ of the equity between under 250 shares each: rent price is 36p. The has now undertaken to costs of disposal, extra gains, on transfers led it by shareholders category by the end month. Thereafter, it will be grouped to larger blocks and sold open market by the brokers, and sharehold get the gross proceeds.

Up to 100,000 shares come up for sale, but ers expect that the act will be much less than that there is no threat of indigestion ket which apparently 125,000 shares changed last month. Since ne compulsion was inv looks on paper to be deal for both willing continuing sharehold

Joviel

Joviel Properties, doxically had to pe winding-up just at a sales have been pickin ning in the last quar the level of the prev months). The end now rather than, say, or so ago because its equity has eventua eroded by the cost a land bank—bought the top of the market. Some £900,000 of in added to the cost a ment land in 1973-4 over £1m. in 1975-6 after further promise land stocks, the £ 1975-76 have reveal- ciency of £672,000 holders' funds, and a tial improvement" pected in 1975-76.

The group has been agree a financial rec with its principal sec tors (FC Finance and North Central, acco gether for about tw. total debt of £5m.). was to convert som secured loans into a stock redeemable years. Agreement forthcoming. Joviel a small equity base a discretionary on very small deals. Cosalt, which has come up with a scheme to resolve this impasse, estimates that it

holders' funds.

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